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Foreign Trade Ministry Maps Out Plan To Join GATT

MK2107102094 Moscow KOMMERSANT-DAILY in Russian 21 Jul 94 p 2

[Report by Vadim Bardin, Konstantin Smirnov: "The Foreign Economic Relations Ministry Is Trying On the GATT Framework"]

[Text] The attention of yesterday's Foreign Economic Relations Ministry [FERM] Collegium was focused on Russia's prospects for joining GATT, although it was originally planned to consider the problems of oil and oil product exports. The FERM found itself in a somewhat delicate situation. On one hand, the ministry has so far not received government support on the question of reducing export and import tariff rates although that would correspond to GATT principles. On the other, the ministry is planning to prolong quantity limitation and licensing of oil exports even after 1994, which may not please GATT experts, and is also considering options for preserving tariff breaks.

It is not easy to enter GATT even though the door has already been opened

After the 24 June signing of a partnership and cooperation agreement with the EC, Moscow's central trade and political task has been to accede to GATT. Russia intends also to join the World Trade Organization, in the process of being created on the basis of GATT with a simultaneous expansion of functions by way of regulating trade services and movement of capital and labor. The main obstacles in this way are the preservation of export quantity limitation, excessively high import tariff rates, and the failure of the foreign trade regulatory basis to correspond to GATT principles.

As became clear at the collegium session, the FERM also sees other underwater reefs. Russia's accession to GATT could necessitate changes in bilateral agreements with GATT member states. The FERM believes that Russia, being new to GATT, can open up its markets to a greater extent that its partners.

The collegium decided that the ministry should become the main body overseeing the introduction of GATT norms into the practice of foreign economic relations. Furthermore, the ministry in all likelihood will not abandon its efforts to lower export and import tariff rates. Regarding the latter, an opportunity has already arisen for it to show itself. The government is now considering proposals by the mayors of Moscow, St. Petersburg, and Yekaterinburg on granting food import preferences to these cities. The FERM, upholding the integrity of the tariff regulation system, has a chance to convert the mayors' ideas into a general reduction of import duty rates for foodstuffs.

The oil-privileges linkage

The collegium did not analyze oil problems, possibly on the assumption that nothing has changed in the oil export mechanism after 1 July except that regional quotas have ended up merged with enterprise quotas. As a result, the budget will fail to get export duties which prior to 1 July were levied on regional oil exports. The treasury, however, will be none the worse off. Hard currency earnings from oil exports for state needs in 1994 should reach $2.75 billion.

The most complicated question is the creation of an economic mechanism for Russia to implement its obligations. The FERM is considering two models. First, without entering into open conflicts with the government, moreover the president, it intends to prolong the quota-setting, licensing, and privilege system in oil exports. Second, aware that after 1994 it will be impossible to retain tariff breaks while intergovernment obligations must be implemented (whereas responsibility for this will lie with the FERM), the ministry is currently preparing plans to replace old preferences with new ones. A good example of this is a package of documents—so far unapproved—prepared by the Cooperation Ministry [Minsotrudnichestva] jointly with the FERM on state support for the Russian-Cuban economic association Roskuba.

Roskuba is a nongovernment organization uniting state, production, commercial, and banking organizations of the two countries which sets itself the task of resolving the problem of Russian-Cuban mutual settlements on a clearing basis. The main lines of its activity are as follows: organization of oil deliveries to Cuba; oil processing in Cuba; and delivery of sugar and citrus plants to Russia. It was registered at the Justice Ministry on 15 July 1994.

The proposals on state support add up to the preservation of tariff benefits in making deliveries on account of intergovernment obligations. Therefore it is confirmed that obligations can be implemented if adequate economic incentives are provided. Whether these proposals will go beyond the planning stage is not yet clear. Nonetheless, as can be seen from the experience of the trade and investment company Menatep-Impeks, which services the Russian-Cuban intergovernment protocol on mutual deliveries in 1994, it is quite possible to trade with Havana. Under the protocol, 2.5 million tonnes of oil are to be delivered to Cuba during the year in exchange for 1 million tonnes of raw sugar. As of 1 July, 1.5 million tonnes of oil have been supplied and 600,000 tonnes of sugar received.

So, it appears that the FERM has to knock on the GATT door and at the same time reform the export regulation system, orienting itself not so much toward the recommendations of this organization as the need to implement Russia's obligations under intergovernment agreements.

CIS Countries, Observers Discuss Fuel Supply

LD2107141494 Moscow INTERFAX in English 1039 GMT 21 Jul 94

[Text] Fuel department chiefs from 11 former USSR republics discussed in Moscow Tuesday ways of supplying oil and gas from Russia to member-countries of an Intergovernmental Council for Oil and Gas in exchange for commodities from these states.

As the Petroleum Information Agency has learned from Russia's Fuel and Energy Ministry, the Council was set up by former USSR republics (Turkmenia [Turkmenistan], Lithuania, Latvia, and Estonia excluded) in March of 1993 to promote international cooperation in the extraction, shipping, refinement, and utilization of oil and gas. Attending the session as observers were also delegates from Hungary, Slovakia, the Czech republic, Croatia, and Romania.

As was reported at the meeting, shipments of fuel from Russia to Council member-countries had been fulfilled by just over 76 percent whereas return deliveries from the Council states to Russia had only been carried out at slightly over 40 percent. The debt of these countries to Russia for the supplied fuel totaled over 2 trillion rubles in the first quarter of 1994.

The session decided that fuel suppliers and consumers must square accounts through a specially-worked-out financial and credit system and through clearing.

The session also discussed the need for a legal mechanism to be devised for producers of equipment and raw materials in the fuel industry to enhance their mutually advantageous cooperation as well as for exchange of property, easy-term renting, and leasing operations.

EU Gives Food Aid to Caucasus, Central Asia

LD2207101394 Moscow Russian Television Network in Russian 0400 GMT 22 Jul 94

[Text] The European Union [EU] has allocated $250 million dollars worth of food aid to countries of the Caucasus and Central Asia. The aid granted by the EU will satisfy half the requests made by Georgia, Azerbaijan, Armenia, Tajikistan, and Kyrgyzia [Kyrgyzstan].

CIS Foreign Ministers Back Move To Reform CSCE

LD2007164394 Moscow INTERFAX in English 1520 GMT 20 Jul 94

[From the "Diplomatic Panorama" feature: Reports by Diplomatic Correspondents Igor Porshnev, Yevgeny Terekhov and others]

[Text] The CIS countries have supported Russia's program for reforming the CSCE, which would be submitted for consideration the Budapest CSCE summit, scheduled for December 5 and 6.

Acting director of the General European Cooperation Department of the Russian Roreign Ministry Igor Blatov has told Interfax that Tuesday's session of the CIS foreign ministers' council decided to give experts more time to work on that document, because some countries have their own amendments and proposals to make.

He said that not all CIS countries had officially replied to the Russian invitation to act as co-authors of the document. "However, that is a question of co-authorship, and not of support", he said. "Even those countries that fail to put their signatures to the draft are prepared to support it at the Budapest summit."

Blatov said the greatest controversy was over the clause saying that within the CSCE there should be established an Executive Committee—a standing body of permanent and rotating members. "All agree that something has to be done to make decision-making within a 53-nation CSCE more effective. However, those countries that do not see a permanent place for themselves in that limited membership body are against it, of course".

Blatov said that Russia as a great power "must be a permanent member of that body".

At the same time he said that the draft was not a final one and that Moscow was open to other proposals and ideas.

Defense Ministers 'Unprepared' for Abkhazia Decision

LD2107172194 Moscow INTERFAX in English 1329 GMT 21 Jul 94

[Text] Many of the CIS defense ministers who attended the recent CIS Defense Ministers Conference were unprepared to make a decision on participation in the peacekeeping operation in Abkhazia, the chief of staff for coordinating military cooperation of the CIS countries, Colonel-General Viktor Samsonov told journalists in Moscow on Thursday.

"The Defense Ministers of nearly all CIS countries and the headquarters for coordinating military cooperation learned about the sending of peacekeepers to Abkhazia from the mass media," Samsonov said. "If that question had been discussed before the operation began, the results would have been completely different," he added.

On the issue of the CIS system of collective security the chief of staff said that it consisted of three elements: completing the formation of national armed forces in the CIS member-states, the establishment of joint groups and then allied forces of the CIS.

General Samsonov said the main objective of the integration plan was to bring about a common defense space, unified operation planning, a common anti-aircraft and anti- missile system and common control of outer space.

General Samsonov said the headquarters for coordinating CIS military cooperation will take steps to develop cooperation with Ukraine, which has not signed the treaty of collective security or the agreement on the CIS Defense Ministers Council. General Samsonov speculated that in the wake of the election of a new president, Ukraine would gradually join the states that are parties to those agreements. He said he was certain that Leonid Kuchma's presidency would speed up the integration processes.

Samsonov on Creation of CIS Defense Alliance

LD2107175594 Moscow ITAR-TASS in English 1704 GMT 21 Jul 94

[By ITAR-TASS correspondent Vladimir Gondusov]

[Text] Moscow July 21 TASS—Colonel-General Viktor Samsonov, chief of staff on coordination of military cooperation among Commonwealth countries, believes that the establishment of a Commonwealth defense alliance is possible already by the end of the next year.

At a meeting with journalists the general stressed that three stages would precede the formation of an alliance.

At the first stage it is planned to accomplish the creation of national armies, work out a system of military and military- technical cooperation, and its legal basis.

At the second stage it is necessary to form coalition groupings of troops, specifically on guarding air space of the Commonwealth of Independent States.

The task of the third stage will be to create joint armed forces and to establish a defense alliance.

In reply to a question by ITAR-TASS as to how it is envisaged to build relations between the Commonwealth defense alliance and the NATO, Samsonov said "We will seek to have equality of relations. We must not repeat the mistakes of the past when confrontation military blocs opposed each other. We should be partners equally interested in the strengthening of security in Europe and in the world as a whole".

CIS Fuel Debts Force Russia To Cut Fuel Deliveries

LD2207080294 Moscow ITAR-TASS World Service in Russian 0150 GMT 22 Jul 94

[By ITAR-TASS correspondent Igor Galkin]

[Summary] Moscow, 22 Jul—The former Soviet republics, with the exception of the Baltic countries and Turkmenistan, owe Russia 2 trillion rubles for fuel delivered last year, the Russian Ministry of Fuel and Energy said today.

These debts went up by a further 500 billion rubles in the first quarter of this year. In these circumstances Russia was forced to cut its fuel deliveries, and last year only 76.6 percent of the quantity provided for in agreements was actually dispatched. Russia had no alternative here, because only 45.2 percent was paid for.

All the debtor countries are members of the intergovernmental council for oil and gas, which will now devise a financial and credits system to settle outstanding accounts.

ITAR-TASS Carries Press Review for 22 Jul

LD2207070094 Moscow ITAR-TASS in English 0650 GMT 22 Jul 94

["Press Review"—ITAR-TASS headline]

[Text] Moscow July 22—The newspaper ROSSIYSKIYE VESTI leads today with report about the Russian-American exercises of the two countries' peacekeeping forces in the Orenburg region. The exercises will be held from September 8 to 16, although they were originally scheduled for July 6-14. The postponement was prompted by a sharply negative reaction of the local public and subsequent appeal of the State Duma to President Boris Yeltsin.

Lower house defence committee chairman Sergey Yushenkov, however, believes that joint exercises "will help Russia avoid unnecessary loss of life in future peacekeeping operations". He said he was surprised by the rumours and inventions circulating around the regular planned exercises which will mainly be acted out on maps.

The strategy of partnership and international security is also highlighted by NEZAVISIMAYA GAZETA. "Russia in the World" is the title of the article written by deputy secretary of the National Security Council under the president, Lieutenant-General Valeriy Manilov, who stresses that "partnership is the main distinguishing characteristic of the world development after half a century of the cold war and a clue to the development of international relations of a new, non-confrontational, democratic type".

The same newspaper comments on human rights in Russia. It carries excerpts from a 100-page report of the Human Rights Commission under the president of Russia for 1993. The newspaper reports that the hearings of the report at a meeting of the public chamber under the president, initially scheduled for July 16, have been adjourned until July 30.

KRASNAYA ZVEZDA (Red Star) informs the reader about military contacts between Russia and Commonwealth member-states. As concerns the Thursday meeting between the Russian Defence Minister Pavel Grachev and his Kyrgyz counterpart Myrzakan Subanov, KRASNAYA ZVEZDA notes that the new bilateral inter-state agreements on military cooperation comply with principles of good-neighbourliness and mutual benefit. "This became possible thanks to an active participation in the preparation of the documents of specialists not only of the Defence Ministry but also of the Ministry of Foreign Affairs, the state and law directorate under the president of the Russian Federation and the Government of Russia, the newspaper says.

PRAVDA provides an extensive coverage of the problem of drug- addiction in Russia. The newspaper cites deputy chairman of the Moscow City Council of the League of Sobriety and Health, Galina Karetnikova, as saying that "about five million young Russians have tested narcotics at least once, and some 500 thousand abuse them regularly".

RABOCHAYA TRIBUNA wonders if "Russia will survive without coal" in a title under which it carries the draft "Guidelines for Restructuring the Coal Industry of Russia". With the importance of this programme in mind, the newspaper appeals to scientists, economic managers, engineers and workers to take part in a large-scale discussion of the project.

U.S. Ambassador Not Intimidated by Threats

LD2107131294 Moscow ITAR-TASS in English 1251 GMT 21 Jul

[By ITAR-TASS]

[Text] Moscow July 21—United States Ambassador in Russia Thomas Pickering has not been intimidated or frightened by the threatening notes which were recently received by the American and Canadian Embassies in Moscow, and has no plans to leave the country. It is true that Pickering is not now in Moscow, TASS was told by a U.S. Embassy official, but he is on a previously-planned working trip to the Russian provinces, which is not connected to the threats.

The Canadian Embassy expressed its concern over the recent notes and announced on Wednesday that all the necessary measures are being taken to ensure the security of Canadian Ambassador Jeremy Kinsman.

The American Embassy refused to either confirm or deny the reports of threats addressed to Ambassador Pickering.

Shumeyko Meets U.S. Congressmen in Washington

LD2107082794 Moscow ITAR-TASS in English 0757 GMT 21 Jul 94

[By ITAR-TASS correspondent Luydmila Yermakova and Igor Barsukov]

[Text] Washington July 21 TASS—A delegation of the Russian Federation Council led by its chairman Vladimir Shumeyko held a series of meetings with U.S. congressmen in Washington on Wednesday to discuss problems of expanding cooperation between the U.S. Congress and the Russian Federal Assembly.

Members of the Federation Council had talks with the leader of the democratic majority in the Senate, George Mitchell. Mitchell pointed out that the U.S. Congress was following the process of strengthening democracy in Russia with much interest and admiration. For its part, the U.S. Senate will do everything possible to promote this process. At Mitchell's request, Shumeyko told him about the activities and functions of the Federation Council and emphasised that Russia was switching over to the democratic federal state system for the first time in its age-long history.

During the talks considerable attention was paid to an amendment to the draft bill on foreign aid recently adopted in the U.S., which links earlier granted aid to Russia with the withdrawal of its troops from Estonia until August 31. "The sum allocated to Russia in the form of credits is too small to exercise any influence on the solution of its economic problems, Shumeyko said. "Russia is a big enough country to cope with economic difficulties on its own. Today, we need direct investments, rather than loans and credits," Shumeyko said.

Dwelling on the so-called problem of Russian troops abroad, Shumeyko pointed out that from the very beginning this problem has been and remains of a purely economic character. However, Latvia and Estonia are giving it a political colouring, Shumeyko said.

He reminded of the fact that at talks with Estonia it was Russia which suggested that the troops be withdrawn until August 31, and at the same time appealed to the Estonian Government to take care of Russian veterans of World War II and retired servicemen.

Estonia refused to comply with Russia's request, but stuck to the date of August 31, demanding that Russia withdraw its troops until then. However, putting pressure on Russia as far as the problem of troops withdrawal is concerned might lead to the opposite result and would make the relations between the two countries even more difficult, Shumeyko said.

For his part, Mitchell said that he respects Shumeyko's position on this problem, but pointed out that the adopted amendment reflects the concern of many U.S. congressmen about the relations between Russia and the Baltic states.

The House of Representatives of the U.S. Congress also adopted a draft bill on foreign aid, but it contains no clause linking aid to Russia with the withdrawal of its troops from the Baltic states. The differences in two variants of the draft bill will be looked into by a conciliatory commission of the U.S. Congress. Therefore, it is too early to say yet whether the adopted amendment will be enacted.

Later in the day, the Russian parliamentarians met with a group of members of the Chamber of Representatives led by its speaker Thomas Foley. During the meeting the sides discussed a wide range of problems of cooperation between the highest legislative bodies of the two countries, said Yuriy Argunov, Shumeyko's press secretary. Shumeyko stressed that Russia's economy was no longer a planned one, but it cannot be called a market economy yet in the full meaning of this word. When assistance to Russia in carrying our reforms is at issue, an efficient form of such assistance would be the U.S. granting Russia the status of a country with a transitional form of economy, Shumeyko said.

The delegation of the Federation Council came out in favour of the U.S. Congress lifting restrictions on trade with Russia, including the 1974 Jackson-Vannik amendment on trade which links normal conditions for trade with the United States with issues of the freedom of emigration. In response to the Russian initiative, Foley said that life had put many laws of the Cold War epoch on the agenda of the congress to be revised. Foley expressed confidence that the Jackson-Vannik amendment would not be left aside since the situation in Russia had radically changed since the time when the amendment was adopted.

During the talks the sides touched upon the problem of fighting against organized crime in Russia. Lawmakers of the Federation Council expressed the opinion that the experience of U.S. law-enforcement bodies might be useful for Russia. The sides exchanged opinions on ways of developing cooperation between the U.S. Congress and the Russian Federal Assembly in this field.

Reviews Results of U.S. Visit

LD2207092494 Moscow ITAR-TASS World Service in Russian 0352 GMT 22 Jul 94

[By ITAR-TASS correspondent Lyudmila Yermakova, Igor Barsukov, Vitaliy Chukseyev]

[Text] Washington, 22 Jul—Vladimir Shumeyko, chairman of the Russian Federation Council, told a news conference here on Thursday that "a complete mutual understanding between the positions of the sides" has been reached. He was speaking about the results of the official visit to the U.S. capital by a delegation of the upper chamber of the Russian parliament.

The same day, the Russian delegation had a talk in the White House with U.S. Vice President Albert Gore; President Bill Clinton joined them later. V. Shumeyko said: We discussed a range of international questions, including the problem of a peaceful settlement in Bosnia and the question of withdrawing troops from the Baltic countries. I am very pleased with the exchange of views we had.

Speaking of the deadline for the withdrawal of troops from Estonia, the Russian Federation Council chairman recalled that the date of 31 August was proposed by Russia itself. In response, it expects the Estonian leadership to take practical measures to resolve the question of service pensioners. I think the Russian and Estonian presidents are going to have a meeting at which this question will be discussed, V. Shumeyko said. I hope the date of 31 August will remain if the Estonian side meets us halfway and resolves the questions the Russian leadership has put to it.

As for the Bosnian problem, the head of the Russian delegation noted, the negative response by the Serbs is not, as yet, quite clear, in our view. It is necessary to make it possible for the experts who are closely involved with this problem to study the position taken by the Serbs, because political statements sometimes resemble icebergs—only a small part is visible on the surface.

Replying to a question by an ITAR-TASS correspondent, V. Shumeyko said that the Federation Council delegation's visit will also have played its part in preparing for Russian President Boris Yeltsin's visit to the United States in September. The meetings in Washington discussed a number of projects to develop cooperation between our two countries. Learning about the work experience of the highest U.S. legislative body has given our deputies a great deal, the head of the Russian delegation said. "The more we meet, the fewer problems there will be between our states," V. Shumeyko emphasized.

Replying to other questions, he said he continues to favor extending the term of office for the current members of the Russian Federal Assembly. I know noone against it, V. Shumeyko said. Even those who fiercely oppose this proposal support it in their heart of hearts. All sober minded Russian politicians are very well aware that a two-year postponement of elections is not aimed against democracy, since elections in Russia are undemocratic for the time being. Elections to the State Duma according to party lists are a fiction, because the influence of the parties does not extend beyond the Moscow ring road. Parties exist in the Duma but they do not exist in the State, and they do not exert any influence on the country's life. Let them stand on their own two feet and then elections will be democratic. I think the idea of extending the term of office will meet with support and will be implemented, the Russian Federation Council chairman said.

The delegation began its U.S. trip a week ago, with a visit to the west coast. Describing this, V. Shumeyko noted that meetings with the mayor of San Francisco and representatives of the legislative body of the State of California were very interesting and useful. Since the delegation's visit to this state coincided with days off, it also visited Disneyland and Hollywood.

Asked about the overall costs of this trip, V. Shumeyko said that will be known after his return to Moscow. A flight on board a special presidential plane is much cheaper than a normal flight, he said. When on foreign trips we have never exceeded the sums set aside for these purposes by the budget. I have not tried to find out the specific overall expenditure for this trip. I am not interested in it, V. Shumeyko said.

On Thursday evening, the Russian Federation Council chairman addressed a dinner at the American-Russian Business Council. He dwelled on questions of developing trade and economic ties between the United States and Russia, and described what the Russian leadership is doing to that end.

Paper Cites CIA Director's 'Perestroyka' Plan

MM2107163194 Moscow KOMSOMOLSKAYA PRAVDA in Russian 21 Jul 94 p 1

[Report by Sergey Ivanov: "Foreign News: CIA True to Iron Feliks' Behest"]

[Text] New York—Ames has started a "perestrokya" in the CIA. Needless to say, not the man himself, but the case against him. At any rate CIA Director James Woolsey said during a meeting with the press that the series of official investigations conducted within the CIA following the arrest of the "Russian spy" showed the irreversibility of the impending changes. The details of the reforms at Langley are being kept secret. It is known,

however, that there are plans to retrain personnel, conduct more thorough checks on agency staff, and reduce the flow of secret documentation.

Moreover, current high-ranking personnel in the operations directorate will also be subjected to checks—an step unprecedented in CIA history. The director even intends to change the "culture" of communication and the very way of life within the agency and ensure that "true patriotism and pride in our work" replace the false sense of "solidarity, flattery, and arrogance."

Woolsey Defense of CIA Role Assessed

MM2207103794 Moscow KRASNAYA ZVEZDA in Russian 22 Jul 94 p 3

[Article by Manki Ponomarev: "CIA Licks Its Wounds"]

[Text] Of late the CIA has been rocked by a series of scandalous failures and revelations. There is an increasingly widespread view in the United States that it is "a useless relic of Cold War times" which costs billions to maintain and brings only disappointment. It has reached the point where increasingly loud demands are being made in the U.S. Congress for a fundamental reorganization of the intelligence agency's activity.

These demands reached such a pitch that CIA Director James Woolsey deemed it necessary to speak publicly in his establishment's defense. He used the platform that he was given at the Center for Strategic and International Studies for this purpose.

In his speech at the center a few days ago Woolsey described in a fairly detailed way the main areas in which the CIA is working today. According to him, these involve the situation in Russia and China and the future of their nuclear arms, "attempts by North Korea, Iraq, Iran, and Libya to develop mass-destruction weapons," international terrorism, and the drugs business. Great attention is also being paid to economic problems, primarily in Russia and China once again, and also to ascertaining and determining grain harvests, oil stocks, and money flows in various parts of the world.

Woolsey essentially accepted U.S. criticism of the CIA as well-founded. This can be seen from the fact that he spoke about "the beginning of an all-embracing and in-depth review of many key structures, programs, and procedures" within his agency. Calling this review a "major overhaul," the CIA director told his audience that it will be an integral part of an overall "strategic plan for the intelligence community" currently being formulated by the Clinton administration.

The intention is to pay special attention to stepping up counterintelligence. A special presidential directive was issued to that effect following the exposure of A. Ames. A National Council for the Formulation of Counterintelligence Policy and a National Counterintelligence Center have been set up on the basis of it. Cooperation with the FBI is being stepped up. Procedure governing the storage and use of information is being tightened and exactingness toward CIA cadres enhanced. The approach to agent recruitment abroad is changing, moreover priority is being given not to the number but to the quality and reliability of the agents.

All this, along with the structural reorganization of the CIA apparatus and some reduction in personnel numbers, should in Woolsey's opinion preserve his department's role "in ensuring U.S. security."

James Woolsey's speech obviously made a definite impression in Washington. ITAR-TASS reported yesterday that the U.S. House of Representatives had approved appropriations of $28 billion for the U.S. special services' intelligence activity in Fiscal 1995.

Helsinki Talks With Estonia 'Disappointing'

MM2107160594 Moscow IZVESTIYA in Russian 22 Jul 94 p 3

[Report by Marat Zubko: "The Helsinki Talks Have Failed Because Neither Moscow nor Tallinn Want to Make Concessions"]

[Text] Helsinki—The Russo-Estonian talks, which lasted two days in Helsinki, did not unravel the knot of contradictions in relations between the two neighboring states even though the participants in the dialogue worked very strenuously behind closed doors. These disappointing results were announced (separately!) after the meeting by the respective delegation heads, Vitaliy Churkin and Raul Malk.

Vitaliy Churkin delivered his short speech at Vantaa airport just before his departure for Moscow. He said that a number of secondary questions had been agreed but the main problems connected with safeguarding the rights of the Russian military pensioners in Estonia and the withdrawal of the Russian troops from that republic remained unresolved.

On the whole, the Russian deputy foreign minister noted, the meeting was disappointing. The Estonians, in his words, did not show a new approach to the problems under discussion during the negotiating process.

Raul Malk, deputy leader of the Estonian foreign policy department, announced his disappointment when addressing a press conference at the Estonian embassy. He highlighted the following factor in particular: On the day that the talks opened here in Helsinki it became known that Russian Defense Minister Pavel Grachev had made a statement in which he said that the Russian troops will not be withdrawn from Estonia until such time as the Estonian authorities ensure the Russian-speaking population's rights in this country.

Such a statement could hardly create an atmosphere conducive to the search for compromise. On the whole the delegation heads' comments created the impression that the representatives of Russia and Estonia were

mainly hoping before leaving for Helsinki that the other side would back down. However, no one wanted to make concessions.

I think that some other kind of negotiating mechanism—a more fundamental and durable one—should be created to resolve the Russian-Estonian contradictions. The meeting in Helsinki was more like a "high-speed cavalry charge."

Troop Withdrawal 'Totally Suspended'

LD2107155294 Moscow Radiostantsiya Ekho Moskvy in Russian 1505 GMT 21 Jul 94

[Excerpt] The withdrawal of Russian troops from Estonia has been totally suspended. It will not resume until interstate agreements on this are signed. The headquarters of the Northwestern Group of Forces announced this today. Military subunits and combat materiel, which have been made ready for transportation back to Russia, are being returned to their original bases.

Here is our correspondent Olga Makhova with the reaction of the Estonian authorities:

[Makhova] In a telephone interview with our radio station Raul Malk, deputy chancellor of the Estonian Foreign Ministry, said that Tallinn learned of Moscow's decision from news agency reports. The diplomat said that if reports of the decision are correct, this will cause amazement—and not only in Estonia. If the reports are confirmed along official channels, Estonia expects to hold consultations with various international organizations. However, Tallinn hopes that this news is not yet a fait accompli. [passage omitted]

'Virtually No Progress' Made

LD2107130894 Moscow ITAR-TASS World Service in Russian 1222 GMT 21 Jul 94

[By ITAR-TASS diplomatic correspondents Aleksandr Krylovich and Vladimir Supruin]

[Text] Moscow, 21 Jul—The results of the recent talks between Vitaliy Churkin, deputy minister of foreign affairs of the Russian Federation, and his Estonian counterpart Raul Malk, have been met with disappointment by the Russian Foreign Ministry. Mikhail Demurin, deputy director of the Information and Press Department of the Russian Foreign Ministry stated this at a briefing today. He said that there has been virtually no progress on settling the problems that hinder agreement on the withdrawal of Russian troops from Estonia, in particular, on the issue of guaranteeing the rights of military pensioners.

On the prospects for the talks with Estonia, the representative of the Russian foreign policy department believes that they should and definitely will continue. At the same time, considering the results of Churkin's five meetings with Malk, the Russian Foreign Ministry is unsure whether it is worth maintaining this channel of communication. It was not by any means established by the foreign ministers to create a new spiral of rounds of talks, stressed Demurin.

Shumeyko Rejects U.S. Credit, Estonia Pullout Link

LD2107135794 Moscow Radio Rossii Network in Russian 1000 GMT 21 Jul 94

[Text] The problem of the withdrawal of troops from Estonia was the main issue discussed by the Federation Council's official delegation at the U.S. Senate. The delegation is being headed by Vladimir Shumeyko. Our special correspondent Vyacheslav Osipov is reporting from Washington.

[Osipov] The Federation Council will not be linking the question of the withdrawal of troops from Estonia with any ultimatums, no matter who poses them, Shumeyko said. This issue was the main one during the meetings between the Russian parliamentary delegation and U.S. Congressmen. George Mitchell, the leader of the Senate democrats said in this connection that the main distinctive feature of democratic states is openness and frankness in their relations with other countries. Shumeyko placed high value on the sincere conversation with Senator Mitchell. The head of the Federation Council believes that it is wrong to link the withdrawal of troops from Estonia with the provision of U.S. credits to Russia.

First, Shumeyko stressed, the issue in question must be considered from an economic point of view, something that had been done by the Lithuanian Government.

Second, Russia can come out of her economic difficulties without any help. But if help is at issue, Russia needs investments—not loans or credits.

Third, the troops that are being withdrawn from the Baltic states are not Russian but those of the former Soviet Union. They were deployed in accordance with the military doctrine of that time.

Until Estonia stops making a political issue out of the troop withdrawal, it will be difficult to speak of fruitful development in relations. This was stated by the Russian parliamentarians at the meeting with George Mitchell, the leader of Senate democrats.

The same point of view was expressed during a conversation with Thomas Foley, the speaker of the House of Representatives. Despite the fact that the U.S. Senate has proposed to halt credit aid to Russia unless the latter withdraws its troops from Estonia by 31 July, there is still some considerable time to go before this amendment is endorsed.

'Deep Concern' Expressed Over Human Rights in Estonia

LD2107174094 Moscow ITAR-TASS World Service in Russian 1321 GMT 21 Jul 94

[By ITAR-TASS diplomatic correspondents Aleksandr Krylovich and Vladimir Suprun]

[Text] Moscow, 21 Jul—The statement by Russian President Boris Yeltsin about the linkage between the withdrawal of Russian troops from Estonia and respect for human rights should be regarded as a reflection of the Russian leadership's deep concern over the plight of the Russian and Russian-speaking community in that country. This view was expressed at a briefing today by Mikhail Demurin, deputy head of the Information and Press Department of the Russian Foreign Ministry.

Responding to questions from journalists, he noted that the position of the Estonian authorities on this problem "was most graphically demonstrated by their attitude to Russian military pensioners." At the same time, the Russian Foreign Ministry spokesman said "it is fundamentally wrong to draw some kind of distinction between military and nonmilitary pensioners, as far as human rights as concerned."

Estonian Unwillingness To 'Compromise' Deplored

MM2207094594 Moscow KRASNAYA ZVEZDA in Russian 20 Jul 94 p 3

[Report by Petr Karapetyan under "Postscriptum. Events and Commentaries" rubric: "Little Giants of Big-Time Politics. Estonia Counting on United States in Dialogue With Russia"]

[Text] Listening to Mr. Vello Saatpalu, chairman of the Estonian State Assembly Foreign Affairs Commission, one would think that there were no particular problems in relations between Moscow and Tallinn. This statesman gives his assurance that Estonia is ready right now to discuss the question of demarcating the bilateral border with Russia—a basic question for Estonian statehood—and is ready to seek mutually acceptable compromises.

A fine intention! Only, where are these actual compromises to be found? It is not hard to conclude from Mr. Saatpalu's statements for the press that as far as he is concerned the question simply does not exist.

Some 200,000 non-Estonian inhabitants would like to obtain citizenship. One can only sympathize with them because, Saatpalu explains, "...there is currently no chance of granting their applications for a whole number of reasons, but chiefly because they do not know the Estonian language." And generally "if we meet them halfway it would mean the creation of two powerful parties in Estonia, namely an Estonian and a pro-Russian party, which would contest the upcoming parliamentary elections between themselves." According to Mr. Saatpalu's reasoning, anyone counting on compromise on this particular question will have his hopes dashed. And not only on this question.

On 31 August and not a day later the "Estonian gate" is due to slam behind the last Russian soldier, and Saatpalu explains that he does not intend to agree with Russia on setting another date.

So is compromise or talk of compromise just talk and nothing more? "We can make concessions to Moscow on this question only if we are brought to our knees, as has already happened to Latvia," Saatpalu believes, making it clear that Riga made concessions to Russia on the troop withdrawal question under U.S. pressure.

"According to Saatpalu" it transpires that it is possible to talk to Moscow only from a genuflecting position. But this, forgive me, is dissembling. Moscow has repeatedly let it be known that the process of normalizing relations with neighbors is not a one-way street as far as it is concerned. But by all accounts Tallinn, especially after the notorious decision of the upper house of the U.S. Congress to link the donation of $839 million to Russia with the problem of the troop withdrawal from Estonia, thinks otherwise.

Upper House Deputy Speaker Opposes FRY Sanctions

LD2207101294 Moscow ITAR-TASS in English 0954 GMT 22 Jul 94

[By ITAR-TASS correspondent Aleksandr Kondrashov]

[Text] Belgrade July 22 TASS—"We shall constantly monitor issues on the security of Russian 'blue helmets' in former Yugoslavia whose presence in this region is necessary," Deputy Speaker of the Russian Parliament's upper chamber Valeriyan Viktorov said in an interview with ITAR-TASS here on Friday.

The upper chamber delegation he heads is touring the former Yugoslav republics to study living and service conditions of Russian troops making up the U.N. Profor. [UN Protection Force]

"Members of our delegation," Viktorov stressed, "came to the unanimous conclusion that Russia's role in settling the Yugoslav conflict and on the Balkans as a whole should be much higher."

This concerns, above all, a repeal of sanctions against Yugoslavia, although there is talk of stiffening them if Bosnian Serbs are intractable. "In my opinion, this is an erroneous approach.

"Sanctions destroying this state's economy should be repealed. I hope that my viewpoint will be backed at the upper chamber."

If Russia continues to take a passive stand on sanctions, it will risk to lose its historic influence on the Balkans, to leave this region and not to return.

"It beats my imagination why the United States situated thousands of kilometers away from the Balkans, declares the peninsula a zone of its vital interests, while we having this 'flash point' right at our side, are shy to say this, although we are vitally interested in resuming Russian-Yugoslav economic cooperation," the legislator said.

Karadzic Interviewed on Current Situation

LD2107151894 Moscow MTK Television in Russian 1400 GMT 21 Jul 94

[Interview with Serb Republic President Radovan Karadzic by unidentified correspondent from the weekly program 'Russkiy Dom'; place and date not given—live or recorded; monitored in progress]

[Text] [Karadzic] ...Yugoslavia was a testing ground for the destruction of the Soviet Union, and then the Russian Federation. It was all politics and weaponry together. We resisted and defended our territories and defended our people from the genocide that was carried out against our people during the Second and First World Wars, but especially the Second World War when the Croatian Muslims killed 700,000 Serbs.

[Correspondent] What does Serbia expect from Russia today?

[Karadzic] Understanding and support just in those instances when we are right and we have the right to self-determination. Our fates are linked. We know the international community drew up a plan to tear Yugoslavia apart while thinking about the Soviet Union, and then after that thinking about the Russian Federation. It was the model for tearing Russia to pieces, because the international community does not want a strong, great Russia as a partner. They want to have Russia as a satellite, as a small state which will obey.

Foreign Ministry Disavows Yeltsin 'Promise' on Iran

MM2107163394 Moscow IZVESTIYA in Russian 22 Jul 94 p 3

[Report by Konstantin Eggert: "Boris Yeltsin Makes Bill Clinton a Promise No One in the Foreign Ministry Knows Anything About"]

[Text] Americans are absolutely sure that Boris Yeltsin, at his meeting with Bill Clinton in Naples, promised to cut supplies of Russian weapons to Iran. If that is actually the case, he could encounter stiff resistance in the Duma, dissatifaction on the part of the military, and incomprehension on the part of some Foreign Ministry aides.

At the Russian leader's and Bill Clinton's joint press conference in Naples Yeltsin said: "Moscow will try to restrict trade with terrorist states." He meant primarily Iran, as was confirmed by a U.S. Administration spokesman: "The Russian president's statement is of great significance. Russian supplies to Iran...were a problem in the process of setting up an organization to succeed COCOM [Coordinating Committee for Multilateral Export Controls]."

The West, above all the United States, is very sensitive about any possibility of supplies of so-called "dual-purpose technologies" to regimes backing terrorism, above all the Iranian regime. States which practise this have no chance of becoming members of the new elite technological club to replace COCOM. For decades it saw to it that the latest developments, which might be used in the military sphere, did not fall into the hands of the USSR and its satellites.

"We are prepared to discuss with our partners, in particular the Americans, certain worrying aspects of Iranian policy, but we consider it inappropriate to link our country's participation in the post-COCOM setup to the mutually advantageous ties that exist with Tehran," a senior Russian Foreign Ministry aide told IZVESTIYA. According to him, the diplomatic department knows nothing about any specific promises given by Yeltsin to Clinton in Naples. Officials of the American Embassy in Moscow refused to discuss the matter, even anonymously.

On Smolenskaya Square [Foreign Ministry headquarters] it is claimed that Russia is not supplying Iran with any dual-purpose technologies at all. As for weapons, aside from infantry fighting vehicles, Moscow sold Tehran two diesel-powered submarines in 1992 and 1993. "I don't know why the Iranians acquired them," one official said. "The waters of the Persian Gulf are shallow and it is extremely difficult to use submarines in them. But that is none of our business."

Washington and the European capitals are of the opposite view. "Submarines in the Strait of Hormuz certainly might pose a threat to international shipping. Certain types of your armor will also significantly increase the Iranians' offensive potential," a Western diplomat accredited in Moscow believes. "According to our data, the delivery of a consignment of Russian-made tanks is not inconceivable, and they are definitely offensive weapons."

"The arms that have been sold have been registered with the United Nations. If we are talking about destabilization, U.S. supplies to Saudi Aarabia are potentially capable of having a much stronger impact on the situation in the Persian Gulf"—this is Russian Foreign Ministry representatives' usual retort to arguments of this kind. The voices of those who believe that talk of Iranian backing for international terrorism is mere propaganda and has no factual basis have become increasingly audible of late in this department. You might just as well talk, some diplomats believe, of the involvement of Washington's strategic allies—the Saudis—in events in Tajikistan, where Riyadh clearly sympathizes with the Islamic opposition.

"Linking membership of the 'new COCOM' to Iranian issues is basically another attempt by the United States to restrict Russia's export potential in a market in which the Americans themselves have long been trading via third countries," one Foreign Ministry expert observed. In his view, there is no such thing as a Western powers united anti-Iranian front. The European states (except for Britain) and Japan tend to be more pragmatic about relations with Tehran. Recently they agreed to a relaxation of the terms of the payment of Iran's foreign debt, which it has been seeking for a long time. To all appearances, the intention is to follow this example in Moscow.

Iran's Involvement in Argentine Bombing Discussed

NC2207085194 Moscow Radio Moscow in Persian 1600 GMT 21 Jul 94

[Sergey Viktorov commentary]

[Text] The bloody crime in Buenos Aires, the capital of Argentina, in which unidentified terrorists blew up the Argentine- Israeli Mutual Association [AMIA] building has sparked off a new phase in the propaganda war between two irreconcilable enemies—Iran and Israel. The Israelis started this war when Yitzhaq Rabin immediately accused extremist pro-Iranian Islamic organizations of the terrorist act in Buenos Aires. According to Rabin, Tel Aviv had previously warned about possible terrorist acts by Muslim extremists in answer to the bombing of the military base of the Shiite Hizballah organization in Lebanon by the Israeli armed forces. And Tehran supports the Lebanese Hizballah.

Iran immediately responded to Israel's statement and Foreign Ministry Spokesman Mahmud Mohammadi categorically rejected all accusations of Tehran's involvement in the Buenos Aires tragedy. He pointed out that Iran has always opposed any type of terrorism. In Mohammadi's opinion, the objective behind Israel's accusations is to harm Iran's relations with Argentina.

The Iranian Foreign Ministry spokesman pointed out the specific similarities between the explosion in Buenos Aires and the explosion at a Beirut church. According to Tehran, Israel's intelligence organization—Mosad—and Samir Ja'ja'—a famous Lebanese personality—were among the engineers of the explosion at the Beirut church. Thus, Tehran has, in a way, alluded that the terrorist act in Buenos Aires was nothing but an instigatory act by Israel.

The investigation commission formed by Argentine President Carlos Menem will reveal the true perpetrators of the AMIA explosion. (Jose Galeano), the Argentine judge in charge of the investigation, said that an Iraqi military officer in Saddam Husayn's army during the Kuwait war was arrested trying to cross the Brazil border. A REUTER correspondent reported from Montevideo that the Uruguayan police arrested an Iranian citizen suspected of involvement in the Buenos Aires explosion.

Foreign Minister Condemns Buenos Aires Terrorist Attack

LD2107171294 Moscow INTERFAX in English 1406 GMT 21 Jul 94

[Text] Russia's Foreign Ministry condemns the terrorist act which took place on July 18 in the capital of Argentina, Buenos Aires, and sends its condolences to the families of its victims, spokesman of the Russian Foreign Ministry Mikhail Demurin declared at a briefing on Thursday in Moscow.

A building in which the Federation of Israeli-Argentinean Associations and Israeli-Argentinean Charity Association were based was blown up on July 18 in Buenos Aires. More than 30 people were killed in the explosion.

Demurin said that Moscow shares the concern of the international community about an increase in terrorist activity throughout the world. Such actions seriously upset the normal course of international relations and creates a threat to the national security of a country and to the lives of its citizens, Demurin said.

"We unconditionally condemn any terrorist acts and stress the need to step up the struggle against them by expanding international cooperation in this sphere," Demurin said.

Military Cooperation Accords Signed With Kyrgyzstan

LD2107125194 Moscow INTERFAX in English 1039 GMT 21 Jul 94

[Text] Russian and Kyrgyz defense ministers Pavel Grachev and Myrzakan Subanov have signed a package of agreements on military cooperation between the Russian and Kyrgyz armed forces.

Among the documents are agreements on military service of Russian citizens in the Kyrgyz armed forces; on material and technical support for the Russian units in Kyrgyzstan and on the receiving, maintenance and security for aircraft on the two countries' airfields.

Grachev told journalists that Russia would help Kyrgyzstan establish its armed forces. "This republic is experiencing a shortage of military personnel, so the contractual service of Russian officers in the newly-established army of fraternal Kyrgyzstan will help develop this republic's armed forces," he said.

The agreements are intended to cover a period of five years, he continued. There are no Russian bases in Kyrgyzstan at the moment but there are small and specific Russian military installations which are in charge of strategic tasks, he said.

He noted that so far the Kyrgyz army is unable to carry out large-scale military exercises, including joint Russian-Kyrgyz exercises. However, one might invite Kyrgyz observers to the Russian military exercises, he said.

The most important thing for Kyrgyzstan now is to train commanders of all levels, to get the army properly equipped and staffed and to form platoons and companies, stated Grachev.

He also emphasized the importance of creating a CIS defense union, because, he said, the treaty on collective security is a mere formality. In his opinion, a defense union would help assign specific tasks to the armies of the member-states so as to jointly tackle all military-political and technical problems.

Kyrgyz Defense Minister Myrzakan Subanov told reporters that in forming its armed forces Kyrgyzstan was guided by the principles adopted by the Russian army. He said that the Kyrgyz armed forces would be made up of 0.27 percent of the population.

Defense Ministers on Agreements

LD2107203294 Moscow Radio Rossii Network in Russian 1800 GMT 21 Jul 94

[Text] [Announcer] The defense ministers of Russia and Kirgizia [Kyrgyzstan] signed a number of agreements on cooperation in the military sphere on today. Among other things, they concerned the status of Russian servicemen in Kirgizia. In an interview with journalists, Pavel Grachev commented on the essence of the documents signed.

[Begin Grachev recording] This is exactly the sort of legal basis upon which we should be building our relations now. You see, Kyrgyzstan needs to recruit people for its Army. You can give them rifles, but the main thing is to train them. Of course, there is now a shortage of ethnic cadres and the shortage will continue for the next few years. If the junior officer staff can still somehow be trained, then it gets very difficult where the major leaders—at the Defense ministry, in the high command, and slightly lower down in the Army—are concerned. Of course, the contract service on the basis of which our officers and troops will be serving in Kyrgyzstan will help the Army being set up in Kyrgyzstan get onto its feet.

A few days ago, when the defense ministers met, they spoke in favor of forming a defense union. Not for nothing, because a defense union will give us the grounds for making a real union, for deciding on common tasks and the particular tasks of each Army in respect of other states, and for solving all military and military- technical issues. That is what a defense union means. [end recording]

[Announcer] Kyrgyz Defense Minister Murzakan Subanov in turn expressed the republic's position on the issues in question.

[Begin Subanov recording] I do not think that we have any enemies but, nevertheless, insofar as we have common aims, common equipment, and common literature [as heard], Kyrgyzstan is for a defense union. [end recording]

Senior Official on Start of Talks With Ukraine

LD2107184094 Moscow INTERFAX in English 1526 GMT 21 Jul 94

[From the "Diplomatic Panorama" feature: reports by diplomatic correspondents Igor Porshnev, Yevgeniy Terekhov, and others]

[Text] The Russian party is ready to start negotiations with Ukraine to coordinate a draft treaty on friendship, cooperation, and partnership, a top-ranking official of the Russian Foreign Ministry reported to Interfax Thursday.

"We have already informed the Ukrainian party about our readiness and we hope that the negotiations would be started in the near term," he said.

Interfax interlocutor made it clear that it is necessary "to settle several disputable problems in bilateral relations regarding the Black Sea Fleet, debts and assets of the former USSR, and Ukraine's debt for fuel and energy delivered from Russia before the beginning of the negotiations." The Russian party is ready to hold a dialogue on this issue as well, the diplomat assured.

"We believe that conclusion of a new comprehensive treaty should crown transfer of the Russian-Ukrainian interstate relations into a new quality," he indicated.

According to Interfax interlocutor, the political treaty signed in 1990 by Russian President Boris Yeltsin and Ukraine's leader Leonid Kravchuk, as well as other agreements and protocols (about 100 in number), have laid a firm legal basis in the relations between two sovereign states. "However, new political realities have appeared now and the issue on a new document is on today's agenda," the diplomat stressed.

To this effect he welcomed the recent statements of Ukraine's new President Leonid Kuchma and Chairman of Ukraine's Supreme Soviet Alexander Moroz about their strive to sign a political treaty with Russia. "Such position of Ukraine's leaders creates a good atmosphere for the negotiations to start ant to be hold in a constructive spirit," the diplomat underlined.

Ukraine, Belarus Gas Debt to Russia Reported

LD2107160994 Moscow Mayak Radio Network in Russian 0605 GMT 21 Jul 94

[Text] Mayak's business club reports that the debts owed to Russia's Gazprom joint stock company by Ukraine and Belarus for natural gas have reached 2.28 trillion rubles and 636 billion rubles, respectively. Russia supplies 200 million cubic meters of gas a day to Ukraine

and 33.5 million cubic meters a day to Belarus. The heads of the Russian Gazprom joint stock company view with cautious optimism the change of leadership in Ukraine and Belarus. They expect a more consistent approach to the task of bringing together the economies of the three countries and to the task of searching for new ways of clearing the enormous debts owed for gas.

Yeltsin Implements UN Embargo on Arms to Rwanda

LD2107185494 Moscow ITAR-TASS in English 1842 GMT 21 Jul 94

[Text] Moscow july 21 TASS—ITAR-TASS—Russian President Boris Yeltsin signed on Thursday a decree "on measures to abide by U.N. Security Council Resolution No. 918 dated May 17, 1994", ITAR- TASS was told by the Russian president's press service today.

The U.N. Security Council resolution slapped an embargo on arms supplies to Rwanda.

The presidential decree puts a ban on the sale or delivery of arms to Rwandan citizens by Russia, from its territory, or on naval or air transports flyng a Russian flag. The ban includes all kinds of combat weapons and ammunitions, military transport vehicles and military equipment, gear for military police, and spare parts.

Kozyrev Talks With Thai Premier on Cooperation

LD2107165894 Moscow ITAR-TASS in English 1555 GMT 21 Jul 94

[By ITAR-TASS correspondents Stanislav Bychkov and Dmitriy Gorokhov]

[Text] Bangkok July 21 TASS—Russian Foreign Minister Andrey Kozyrev held talks with Thai Foreign Minister [title as received] Chuan Likphai on Thursday, during which he reaffirmed Russia's readiness to develop all-round cooperation, including in the military-technical sphere.

The head of the Russian Foreign Ministry began his visit to Bangkok with this meeting. During his stay in the Thai capital, Kozyrev will take part in the ASEAN (Association of the South East Asian Nations) ministerial conference scheduled to open here on Friday, and later in the ASEAN Regional Forum (ARF) on security in the Asia-Pacific region. Russia has been granted consultative partner status of ASEAN, which comprises Brunei, Indonesia, Malaysia, Singapore, Thailand and the Philippines.

One of the members of the Russian delegation told ITAR-TASS that, during the talks, the sides noted the "dynamic development" of relations between the two countries. The bilateral trade turnover doubled last year. But the potential of trade and economic cooperation has "far from exhausted". Russia is considering a wide spectrum of cooperation in different spheres, including military- technical.

Commenting on questions of regional partnership, Chuan Likphai noted the "important role" played by Russia in the Asia-Pacific region, and the significance of its dialogue with the Asia-Pacific region countries. The Thai premier welcomed the Russian delegation's participation in the forthcoming discussion in the Asia conference and its regional forum. The ARF will hold discussions on ensuring peace and stability in the Asia-Pacific region for the first time. Eighteen delegations will take part in the discussions. Besides Russia, the European Union, Canada and the United States have sent their representatives to Bangkok.

Kozyrev, Qian Qichen Discuss PRC President's Visit

LD2207090994 Moscow ITAR-TASS World Service in Russian 0808 GMT 22 Jul 94

[By ITAR-TASS Stanislav Bychkov and Dmitriy Gorokhov]

[Excerpt] Bangkok, 22 Jul—Russian Foreign Minister Andrey Kozyrev and his Chinese counterpart Qian Qichen discussed preparations for a visit to Russia by President Jiang Zemin planned for the beginning of September, the prospects for constructive partnership between the two countries and some international problems at their meeting in Bangkok today. [passage omitted]

Moscow Prepared To Sell Arms to ASEAN Nations

LD2107123094 Moscow Radio Moscow World Service in English 0810 GMT 21 Jul 94

[Text] The Association of South East Asian Nations (ASEAN) reportedly intends to offer Russia an agreement for consultative partnership. More about this in our commentary by Aleksey Kondratyev:

[Kondratyev] The proposal would seem to be a logical follow-up of Moscow's ties in recent years with this association comprising Brunei, Indonesia, Malaysia, Singapore, Thailand, and the Philippines.

For the third time, Moscow will be attending the annual conference of ASEAN foreign ministers, which opens in Bangkok on 22 July. The Russian Foreign Minister, Andrey Kozyrev, has left for an official visit to Thailand and also to attend the conference, which will focus on the important issue of security in the Asian-Pacific region.

At the last conference of this kind, held in Singapore, the Russian foreign minister put forward a number of ways to ensure regional security and coooperation. Clearly, without such countries as Russia and China, there can be no real security and cooperation in the Asian-Pacific region.

Now Russia is being offered an agreement on constructive partnership. This obviously means closer relations

with the South- East Asian Nations. The Secretary General of ASEAN, Ajit Singh, made it clear just recently that the association was interested in closer relations. It's regrettable Russia has done little in this direction since the breakup of the Soviet Union—regrettable because the potential for economic, scientific, technological and military cooperation with the countries of the Asian-Pacific region is considerable. Such cooperation, moreover, would benefit all the countries involved, say in the military field. A number of ASEAN countries have shown an interest in the Russian weaponry and Russia is prepared to sell them weapon, but Moscow has stressed on more than one occasion that trade in weapons must not be allowed to upset stability in the region.

Yeltsin Greets Syria's al-Asad on Anniversary of Ties

LD2207054894 Moscow ITAR-TASS in English 0531 GMT 22 Jul 94

[By ITAR-TASS]

[Text] Moscow July 22 TASS—Russian President Boris Yeltsin has sent a message of greeting to the Syrian President Hafiz al-Asad on the occasion of the 50th anniversary of the establishment of diplomatic relations between the two countries, the press service of the Russian president reported.

The message says that ties of friendship connecting the people of Syria and russia have deep-rooted and good traditions. Over half a century of bilateral relations considerable results have been achieved. Moscow appreciates this experience and is prepared to do everything possible to maintain these traditions in the interests of both countries, the message said.

Yeltsin expressed confidence that mutually advantageous Russo- Syrian cooperation in different spheres has broad prospects in future.

Uzbekistan Seen Aspiring To Dominate Central Asia

MK2107114094 Moscow SEGODNYA in Russian 21 Jul 94 p 5

[Report by Umar Ongov from Tashkent in the "Neighbors" column: "Uzbekistan Is Pumping Riches From Tajikistan but Does Not Want To Coexist With it in a Single Economic Space"]

[Text] Recently a meeting of Kazakhstan, Kirgizia [Kyrgyzstan], and Uzbekistan heads of state took place in Alma-Ata [Almaty]. In addition to questions of implementing the treaty of creating a single economic space, signed in spring 1994; establishing an Interstate Council; and adopting a memorandum on cooperation in the sphere of migration, the meeting was planned to discuss a statement by the Tajik Government on acceding to the single economic space.

The Kazakh and Kirgiz leaders approved of this intention but at the demand of the Uzbek president the question was taken off the agenda. Islam Karimov indicated that he does not wish to have Tajikistan as a partner in a single economic space owing to the latter's economic inconsistency and political instability. Observers, however, believe the actual issue is a clash of the Central Asian leaders' ambitions.

It is no secret that Karimov and Nazarbayev are rivals in the struggle for leadership in this region. It is enough to remember the way Tashkent rejects all political and economic initiatives coming from Alma-Ata. President Karimov has already won the first round of this struggle, killing Nazarbayev's idea of creating a Eurasian Union. Signs are that he will also win the second round. How else can it be explained that his one vote has outweighed two others: Kazakhstan's and Kirgizia's?

Pressure on Tajikistan, burdened with a hundred-million dollar debt to Uzbekistan, is being exerted both through political and economic measures. On one hand, the Uzbek-Tajik border has been locked, but on the other the development of mineral resources on Tajikistan's territory is proceeding full steam ahead. In particular the Uzbek Almalyk mining and metallurgic plant has obtained the right to extract polymetallic ores (containing lead, zinc, copper, silver, cadmium, and bismuth in the amount of not less than 1.5 million tonnes of ore—SEGODNYA) at the Altyntopnak deposits in Leninabad Oblast for a term of 50 years. This enterprise has also received the right to mine and process gold- bearing ores in the Azrafshan Valley in Tajikistan.

The latter's accession to a single economic space would to some extent have equalized the positions of Dushanbe and Tashkent. This is apparently not in the plans of the Uzbek leadership which, using all possible levers, is trying to expand its zone of influence in Central Asia.

Political Issues

Pension Increase Said To Threaten Social Explosion

MM2107131994 Moscow IZVESTIYA in Russian 19 Jul 94 p 2

[Report by Ivan Zhagel: "Decision To Increase Minimum Pensions Risks Causing Social Explosion"]

[Text] In the last issue of our newspaper we reported on the State Duma's decision to increase the minimum pension by 40 percent from 1 August, even though the Russian Government and Pension Fund have insisted on a more modest increase of 15 percent. Clearly, this is a very sore point which affects the interests of an enormous number of our most vulnerable compatriots, and therefore we approached Pension Fund Chairman Vasiliy Barchuk for an additional explanation.

V. Barchuk stated that there was simply not enough money in the fund to permit such an increase in payouts to the pensioners. Specifically, over the past six months a total of 13.44 trillion rubles [R] has been paid into the Pension Fund, whereas outgoings have totaled R13.6 trillion. In other words the fund has spent all the reserves it had at the start of the year, and at the present time it has even gotten into debt. Admittedly, it is also owed money—almost R1 trillion has not been transferred from the budget, and the fund is also owed R3 trillion by enterprises which have no money owing to nonpayment problems.

But even if all these sums were collected, V. Barchuk believes, there would still not be enough for the planned increase in minimum pensions. The fact is that the increase approved by parliament will entail a R1-trillion increase in monthly payouts. But this money is not needed in several months' time, it is needed today, right now.

Interestingly, 55 of Russia's 89 regions have been subsidized until recently. In other words, pension levies collected in other territories were transferred to these regions. Only the northern and far eastern regions, which, generally speaking, pensioners would leave to go to the European part of the country, were more or less well off under this system. However, the latest increase in minimum pensions puts approximately 85-90 percent of territories on subsidies. Only the Yamalo-Nenetsk and Khanti-Mansiysk Okrugs, Chukotka, Magadan, and perhaps the Maritime Kray remain net beneficiaries.

There has been a sharp increase in the scale of the necessary redistribution of money, and bearing in mind that the Pension Fund balance shows a series of zeros, there will be nothing to redistribute anyway. Therefore, V. Barchuk believes, having made the decision to increase minimum pensions, the State Duma should also have increased the size of national insurance fees—by a minimum of 5.5 percent. In other words they should be increased from 28 to 33.5 percent of the labor remuneration fund. Otherwise there is no logic in increasing minimum pensions because the decision becomes simply impossible to implement.

It is not hard to imagine how enterprises are reacting to this increase, harried as they are by all sorts of taxes. We are already not far from a social explosion. However, in V. Barchuk's opinion, if we cave in to the enterprises' reaction we will provoke an equally violent social explosion from pensioners. At any rate, in order to start paying out the new pensions from 1 August, the money needs to be transferred by 22 July at the latest. But at the present time this money simply does not exist. Thus the Pension Fund has simply been driven into a corner, and a bomb has been planted under the country's social stability.

How can we extricate ourselves from this situation? V. Barchuk believes that Central Bank concessionary credit at a rate of no more than 10 percent a year would enable them to make ends meet. But in this case we would need to indicate clearly that additional credit emission by the Central Bank could destabilize the money situation, lead to a new price hike, and consequently the entire population—including pensioners—would have to bear an inflationary tax. So there will be few advantages to this decision.

Shuymeko on Post-Election Political Scene

LD2107192094 Moscow INTERFAX in English 1302 GMT 21 Jul 94

["Exclusive" report No. 29 of 79]

[Text] On July 13 Interfax had a guest - the Speaker of the Federation Council of Russia's parliament, VLADIMIR SHUMEYKO, who met with Interfax's journalists and with a number of foreign correspondents accredited in Moscow. Here're his answers to Interfax's questions.

INTERFAX: What do you think has changed in the country's internal political situation in the 7 months that passed since the latest parliamentary elections?

SHUMEYKO: The major achievement is that we can discuss the course of reforms and problems connected with the birth of a new Russian state quietly, not in an atmosphere of confrontation. I would divide the period of its development in two stages. The first began on July 12, 1990, when the Congress of People's Deputies adopted the Declaration of Russia's Sovereignty. It was a romantic phase. We saw everything in a rosy light. Many laws passed in that period by the Supreme Council and by the Congress of People's Deputies could not work only because they had been written for some other, idealized society. At that time it seemed to us that it's enough to adopt a law, and everything will be fixed.

The romantic period ended after the dramatic October events, and a new phase began on December 12, 1993,

when the new Constitution was adopted. The Constitution established a new kind of state - democratic, and a new form - republic run by president. Furthermore, the Constitution stipulates the basic human rights and provides for adherence to all international conventions concerning this area.

INTERFAX: Do you think that changes in the economy are equally crucial?

SHUYMEKO: In this area the changes are no less crucial. Even though the present period is still marked by a fall in production, it differs from the previous one qualitatively. The initial period of economic reforms was characterized by a crisis in supplies for plants and factories. Under the Soviet system all enterprises received all they needed from centralized reserves. When that system was liquidated, facilities stopped.

Today it's money what counts, and nothing but money is needed for production. However another crisis emerged - marketing crisis. Prices reached the world level, while the quality of products failed to conform to that level. Many facilities cannot market their products, and so cannot get money. This leads to growing debts. Today all enterprises - government-owned facilities and joint-stock companies - are again trying to appeal to the state to give them money for replenishing their circulating capital, for paying the wages, and for other needs. This is a serious crisis, and we are not the first to experience it. It's evident that expenditure must be cut and competitiveness raised.

It must be taken into account that the crisis hit primarily the industries founded under Stalin. It struck largely the giants built under our first five-year plans.

Some plants are not only state-owned. They were built as part of the state itself from the outset. Cities and whole infrastructures totally depending on them rose around such plants. To reconstruct such plants means to reconstruct the old political system where they are located. This is difficult.

INTERFAX: Where do you see a way out of this crisis?

SHUYMEKO: Three tasks should be accomplished for this purpose. In the first place, the problem of non-payments must be resolved. Foreign experience can help us in this respect. We must determine the economic areas where three rubles of profit can be obtained by investing one ruble in the liquidation of non-payments. At present a governmental commission is spotting such enterprises.

The second task is to make our economy less energy-consuming. Our economy is more energy-consuming than that of any other country. Partially this is due to the fact that 70 pct of our territory lies in the north. The need to secure elementary living conditions was used as an excuse for high energy consumption. However this grew into virtually free supplies of electricity, which no one counted.

Another reason why our economy is so energy-consuming lies in its being ideologized. Seeking to prove that socialism is better than capitalism, the Soviet leadership was obssessed with gigantic projects. In this country everything had to be greater - engines had to be more powerful, machinetools bigger, and so on. Finally ministries and plants began to report weight and size, not the quality of produce. Such productions required vast quantities of energy, of course. Today we need money to alter this situation.

In addition no one counted transport expenses. No one took them into account. When the prices of energy and transport were freed, the cost of production sharply increased. In the meantime it takes time to launch another production at a plant. We must find the optimal way of transition to a new system. In this connection the government began to draft a decree on improving the regulation of tariffs for electricity and transport.

There is another aspect which sharply deteriorates the situation - invention of their own rules by ministries and departments. We still have ministries responsibles for certain industries, and they issue their own regulations. When issuing them they refer to a definite presidential decree, but distort it to suit their own needs. While in free-market economies there are general rules to be followed by all, in Russia ministries establish separate rules almost for each plant or factory. I suggested that the president should impose a moratorium on such practices at least for a year or 18 months, to prevent ministries and departments from making their own rules, and enable people to use the documents issued by the president and government.

INTERFAX: Do you still believe that the mandates of the president and deputies which expire in 1996 should be extended?

SHUYMEKO: My suggestion that the next presidential and parliamentary elections should be delayed acquired a multitude of supporters at once. Moreover, virtually no one opposed it. It was sharply criticized only for the form it had been made in. I was blamed for coming out with this initiative on my own, not on behalf of some committee. But this does not alter its essence. Today it is clear to everyone that no one needs elections in the near future, and not only because they are expensive, but because the candidates will be the same. Russia has no other candidates now, and no new candidates are likely to emerge in two years' time. There are many names of different parties, but in fact there are no parties, they exert no influence on the country's political life, because in fact they represent no one.

The leaders of all parties keep their membership a secret. Therefore electorates will have to vote for the leaders of parties, not for parties or party programs.

I firmly believe that a change of power in Russia will lead to worsening the situation. No one can dissuade me.

INTERFAX: What do you think about the further development of Russia's relations with the CIS countries?

SHUYMEKO: I think that we shall move in the direction of confederation. However there is a very acute problem - the problem of borders. Each former Soviet republic would like to have either no borders, or extremely transparent ones, with Russia. As a state Russia greatly suffers from this in economic terms. Why? Because many of our CIS neighbors have no strict borders with the outside world. This means that their citizens or people from foreign countries can carry out any trade operations in our territory without obstruction. The fixing of borders must not conflict with the process of strengthening economic integration, of course. Extra customs barriers should be lifted, the system of customs duties and taxes must be revised. There is a need to form more transnational companies, joint banks and insurance companies, acting in accordance with the universal world practice. As for us, in the framework of the CIS we seek to resolve all problems by means of signing intergovernmental agreements, not by means of consolidating economic contacts. Such agreements are far from real life, and therefore they fail to work.

Solzhenitsyn Arrives in Moscow; Welcomed by Mayor

LD2107171894 Moscow ITAR-TASS World Service in Russian 1648 GMT 21 Jul 94

[By ITAR-TASS correspondent]

[Text] Moscow, 21 Jul—Aleksandr Solzhenitsyn returned to Moscow this evening. The famed writer, defender of human rights, and thinker was welcomed on the platform of Yaroslavskiy station by a large number of admirers of his courageous talent. Aleksandr Isayevich Solzhenitsyn was warmly welcomed by Moscow's Mayor Yuriy Luzhkov, his friends, and colleagues.

Solzhenitsyn has been travelling through Russia for 55 days, once again discovering and understanding his country that has changed beyond recognition. Prior to this, there was 20 years of exile during which he did not lose his spiritual links with his homeland. Now the triumphant return of the writer that has become a triumph of historic justice.

To Meet With Yeltsin

LD2107103594 Moscow ITAR-TASS in English 1026 GMT 21 Jul 94

[By ITAR-TASS correspondent Anna Melnikova]

[Text] Moscow July 21 TASS— Russian President Boris Yeltsin will meet with Writer Aleksandr Solzhenitsyn who returns to Moscow today after twenty years of exile as a Soviet-era dissident. But the exact date for their meeting has yet to be set, Yeltsin's Press Secretary Vyacheslav Kostikov said in an exclusive interview with ITAR-TASS.

According to Kostikov, the meeting would be useful because the writer has accumulated a wealth of impressions while crossing the country from the Far East to Moscow. The president has also toured the country lately. "It can be very useful for the writer and the politician to exchange information," the press secretary said.

According to Kostikov, Boris Yeltsin had a telephone conversation with the writer before his departure for Russia from the United States. During their conversation the writer and the president agreed to meet in Moscow. "No specific date has yet been set for the meeting," the press secretary said. He added that "Boris Yeltsin has a deep interest in Solzhenitsyn's personality and views".

Kostikov recalled that "during his trip to the United States, the Russian president called telephoned the writer and had a conversation with him". As concerns Solzhenitsyn's trip across Russia, "the president was kept informed about its main stages," Kostikov said.

Speaking about the president's attitude to the writer's personality, Kostikov noted, "this attitude is determined by the scale of Aleksandr Isayevich's personality, his immense talent and his selfless devotion to a cause." Solzhenitsyn's labour as writer was a moral and philosophical tone-setter not only for the Russian intellectuals who belonged to the generation of the sixties but also for a considerable part of the younger generation of thinking Russians."

The press secretary said the writer's "struggle against totalitarianism, abomination and perversions of the Communist system" was his particularly important contribution to reforming the country.

The press secretary expressed confidence that Boris Yeltsin and Aleksandr Solzhenitsyn "will want to look together at the clock by which Russia lives and compare notes".

Spokesman Says Yeltsin May Take Vacation in Aug

LD2207085394 Moscow ITAR-TASS World Service in Russian 0825 GMT 22 Jul 94

[By ITAR-TASS correspondent Anna Melnikova]

[Text] Moscow, 22 Jul—It is possible that Boris Yeltsin may take a brief vacation in the middle of August, his press secretary Vyacheslav Kostikov told journalists today.

He said "the president intends to spend his vacation in an unusual way, observing Russian historical traditions."

ITAR-TASS has learned that he may go on a cruise along one of Russia's rivers.

Railway Accident May Have Been 'Subversive Act'

LD2207082994 Moscow ITAR-TASS in English 0738 GMT 22 Jul 94

[By ITAR-TASS]

[Text] Moscow July 22 TASS—The accident on the Transiberian railway which occurred last night might have been caused by a subversive act. According to train driver Nikolay Kapustin, shortly before the accident occurred they heard a click and saw a bright flash close to a railway junction.

However, a representative of the Russian Ministry for Emergency Situations cautioned against making premature conclusions, saying that an investigation into the cause of the accident had just begun.

Railway traffic on the Transiberian railway is expected to be restored by Friday evening.

Yeltsin Signs Law on Constitutional Court

LD2107081994 Moscow ITAR-TASS World Service in Russian 0745 GMT 21 Jul 94

[By unidentified ITAR-TASS correspondent]

[Text] Moscow, 21 Jul—President Boris Yeltsin signed today the Federal Constitutional Law: On the Russian Constitutional Court. This was reported by the press office of the head of the Russian state.

The law was adopted by the State Duma on 24 June and endorsed by the Federation Council on 12 July this year.

National Union Leaves Accord for Russia Movement

LD2107202694 Moscow INTERFAX in English 1952 GMT 21 Jul 94

[Text] The Russian National Union has left the Accord for Russia Movement as a party because as presidential elections come closer the movement is increasingly pinning its hopes on Aleksandr Rutskoy as the only opposition leader.

This was announced by a key figure in the union Sergey Baburin during the Thursday consultations between his union and the Russian Agrarian Party. In his opinion the former vice-president fully discredited himself a long time ago.

The leader of agrarians Mikhail Lapshin refrained from such harsh comments but confirmed the intentions of his party which he claimed has a membership of 200,000 to act together with the Russian National Union and other parties and movements relying on patriotic, socialist and communist ideas during local and presidential elections.

During the consultations the two sides discussed the strengthening of territorial branches and relations with the media. They confirmed the intention of the opposition to support common candidates rather than Russia's Democratic Choice or the fake advocate of the interests of the territories as they described the Party of Russian Unity and Accord.

Democrats Plan Congress Aimed at Prolonging Yeltsin Tenure

MK2207072894 Moscow NEZAVISIMAYA GAZETA in Russian 22 Jul 94 p 2

[Report by Yelena Chepkasova in the "Plans" column: "The Democrats Demand Extension of Presidential Powers. Russia's Democratic Choice Is Preparing To Hold a Congress of Democratic Forces"]

[Text] In October a congress of democratic forces is to be held which is expected to adopt a special appeal on the need to extend Boris Yeltsin's presidential powers. As NEZAVISIMAYA GAZETA's correspondent has learned, the initiative for such an event belongs to the president himself, who intends to take a direct part in it.

NEZAVISIMAYA GAZETA's correspondent received confirmation of this at a meeting of members of the Free Generation youth club with its ideological leaders: Yegor Gaydar, Russia's Democratic Choice chairman; Sergey Blagovolin, the organization's Moscow branch leader and member of the Presidential Council; and Oleg Boyko, chairman of the party executive committee, president of the Olbi concern and chairman of the National Credit Bank governing board.

The idea to prolong presidential powers, put forth at the congress, will be supported by controlled mass media organizations. These publications, already owned by the bank, can be joined by some central papers and a TV channel.

Organization of the congress of democratic forces has been entrusted to Russia's Democratic Choice. Leaders of Yabloko, the Russian Democratic Reform Movement, and a number of other democratic associations have not as yet given their consent to take part. It seems that the idea to extend Boris Yeltsin's presidential powers is evoking enthusiasm from far from all democratic leaders, some of whom would surely like to contest the presidency themselves.

Economic Issues

Edict on Transition to Cash Privatization Signed

MK2107090094 Moscow SEGODNYA in Russian 21 Jul 94 p 2

[Report by Mikhail Lantsman in the "Edict" column: "The President Has Protected the Privatization Check Market. Voucher Price Could Reach 100,000 Rubles"]

[Text] Yesterday Boris Yeltsin signed an edict "On Additional Measures to Protect the Citizens' Interests at

the Stage of Transition from Check to Monetary Privatization" announced by Vice Premier Anatoliy Chubays back in early July. The edict allows the remaining privatization check holders to use them as a means of payment at face value (10,000 rubles) in buying shares at cash auctions. Checks will be redeemed at the expense of local budgets. The time frame for the "transition period" is established from 1 September until 1 December.

By 1 July 1994, at the end of the first stage of privatization, regional property funds had collected 144 million vouchers out of the 148 million issued to the population. According to Anatoliy Chubays, operations with the unused 4 million checks will be possible only after the realized vouchers have been tallied in order to preclude their recirculation. The edict obligates the State Property Committee to take a full inventory of the used checks before 1 September.

Meanwhile, speculation with privatization checks has entered a new period of activity after a substantial decline prior to 1 July. According to an ITAR-TASS report from Kaliningrad yesterday, a voucher can be sold in the city market at 40,000 rubles whereas at the end of June its buying price did not exceed its face value. The local branch of the Germes concern is accepting privatization checks in exchange for its stocks. Exchange market experts, ITAR-TASS reports, predict that after 1 September the voucher market value could jump to 100,000 rubles.

Yeltsin Asks Chernomyrdin To Secure Aid for Auto Industry

LD2107171994 Moscow INTERFAX in English 1701 GMT 21 Jul 94

[Text] Russian President Boris Yeltsin has commissioned Prime Minister Viktor Chernomyrdin to prepare a government resolution on rendering assistance to the leader of Russia's automobile industry, the Moscow ZIL factory, which is in a difficult financial situation, the factory's general director Valery Saikin told Interfax after his meeting with Russian President Boris Yeltsin Thursday.

Saikin said he had told Yeltsin that the factory's state "was very serious and almost critical." This is caused by the industrial recession, loss of state orders and markets in CIS countries, total non-payments and delays in budget allocations.

Saikin said the factory's leadership has recently addressed both the Russian and U.S. presidents with a request "to render support to reforms" underway at the factory. Saikin told Boris Yeltsin of the program of modernization and reconstruction to be implemented at the factory. The factory is creating a joint venture to produce and sell trucks together with the American companies Caterpillar, Paccar, and General Motors.

Yeltsin "has categorically refuted" proposals which allegedly have been put forward by Vice Premier and Economics Minister Aleksandr Shokhin and general director of the State Property Committee's Federal Department on Insolvency (Bankruptcy) Sergey Belyaev to announce ZIL a bankrupt.

"We shall never let such a factory as ZIL become bankrupt," Yeltsin declared. "Tell the workers that I shall visit ZII," Yeltsin said after an hour-long conversation with Saikin.

Saikin, who was elected to the post of general director of the ZIL automobile words at a shareholders' meeting a month ago, has been on friendly terms with Yeltsin for a long time. While in the post of the first secretary of the Moscow city committee of the Communist Party Yeltsin assisted in Saikin's appointment to the post of the chairman of the Moscow executive council (Moscow Mayor).

Unemployment Increase Decelerates Temporarily

MM2207084194 Moscow IZVESTIYA in Russian 19 Jul 94 p 1

[INTERFAX report: "Increase in Unemployment Has Slowed, but Not for Long"]

[Text] A trend toward a slowing down in the rate of increase of unemployment has been recorded in the summer months, the information and press department of the Russian Federation Federal Employment Service announced Monday.

At the same time, according to Federal Employment Service staff, this decline is merely "the switch of hidden unemployment to even more hidden unemployment" owing to the summer vacation and the dacha season. According to forecasts by the employment service, a worsening of the situation on the labor market is expected at the end of the summer, when together with the "long-term" unemployed—i.e. those who are incapable of finding work after eight months—and citizens without employment, young people who have not entered higher educational establishments will start to approach the Federal Employment Service. At the present time, 1,219,000 Russians have official unemployed status, and 1,483,000 citizens are not engaged in working activity. Some 70 percent of the unemployed are women and young people.

Military & Nuclear Issues

Nuclear Minister To Close Down Plutonium Reactors

AU2107120694 Kiev HOLOS UKRAYINY in Ukrainian 20 Jul 94 p 5

[Unattributed report: "Following the Example of Miners"]

[Text] Nuclear workers at the Krasnoyarsk [Siberia, Russia] mining and chemical combine, where a reactor

produces weapons-grade plutonium, ended their protest action and left the underground shop. This coincided with Russian minister of atomic power engineering V. Mikhaylov's tour of the region's nuclear enterprises. The minister intends to discuss on the spot a plan for measures to close down the plutonium-enrichment reactors.

On 14 July, about 30 workers at the underground reactor plant refused to return to the surface after finishing their shift. They demanded that their wages, which they had not received since May, and vacation money be paid.

Gromov on Pacific Fleet Commander's Dismissal

MM2107113794 Moscow IZVESTIYA in Russian 21 Jul 94 p 8

[Report by Natalya Ostrovskaya: "Admiral Gromov Promises that There Will Be No More Explosions"]

[Text] Vladivostok—Following an inspection trip to the Far East, Admiral Feliks Gromov, commander-in-chief of the Russian Navy, held a press conference in Vladivostok, where he mainly demonstrated his skill at saying a great deal without essentially saying anything at all.

The only question which prompted more than a brief answer from the admiral was a request by your IZVESTIYA correspondent that he should elaborate on the situation concerning the dismissal of Pacific Fleet Commander Admiral Georgiy Gurinov. Let me remind you that this happened straight after a much-publicized accident—the explosion at an arms dump near the Maritime Kray village of Novonezhino.

IZVESTIYA has written that such a severe punishment had generated a big protest: The Fleet stood up in support of Georgiy Gurinov, justly believing that his personal responsibility for what had happened was symbolic. Furthermore, the heads of krays and oblasts in the Far East censured the dismissal of the admiral. They asked the president to reinstate the scapegoat to his previous post.

This unanimity is unprecedented in itself, particularly since everyone remembers Gurinov's "unsinkable" predecessor—Gennadiy Khvatov. When he was commander of the fleet, there were more than enough reasons for a cadre revolution. At that time there was an accident on a nuclear submarine in the bay of Chazhma, explosions at an arsenal in the outskirts of Vladivostok, and epidemics on Russkiy Island. Only mass dystrophy in the fleet put an end to Khvatov's military career. Unlike him, Adm. Gurinov needed only one accident.

The commander-in-chief of the Navy has the following opinion about this: A fleet commander is duty bound to be responsible for everything that is in his command. The higher command and the Russian president determine the penalty. In this case, they decided to impose that specific punishment. "Adm. Gurinov will hand over to the new commander, he will leave for the prescribed period, and will then place himself at the disposal of the leadership which, taking into consideration what is possible and what Gurinov himself wants, will determine his future service," Feliks Gromov said.

And so, all local-level protests and appeals proved to be in vain. Preference was given to backstage arguments adduced by Moscow officials, in whose ranks Gurinov found himself only once—in 1992-1993, as deputy commander-in-chief of the Navy.

Vice Admiral Igor Khmelnov, currently acting commander and until recently Georgiy Gurnov's first deputy, is seen as the top candidate for the post of commander of the Pacific Fleet. The contender is realistic enough for certain local mass media to already be reporting his appointment as a fait accompli. Adm. Feliks Gromov has tried to assure journalists, and through them all the Maritime Kray inhabitants, that whether it is Khmelnov or anyone else, there will doubtless be no more explosions in the Pacific Fleet and its environs. It is interesting that this optimistic assurance from the commander-in-chief was accompanied by his saying that the problems of the ill-fated dump of aircraft bombs and other weapons in Novonezhino are not anything exceptional. He reported to those who had gathered at the press conference that all (!) the Pacific Fleet arsenals in Maritime Kray are overburdened as compared with the norms for storing ammunition.

So, it works out that Georgiy Gurinov is to blame for this as well.

Federal Assembly

Duma Rejects Privatization Bill After Debate

LD2107155194 Moscow ITAR-TASS World Service in Russian 1442 GMT 21 Jul 94

[By ITAR-TASS correspondent Pavel Kuznetsov]

[Text] Moscow, 21 Jul—Even after a repeat vote, the State Duma today failed to pass the draft federal law: On the adoption of a state program for the privatization of state and municipal enterprises in the Russian Federation after 1 July 1994. This time 196 deputies voted for and 110 against the document, with two abstentions.

The draft law was subjected to a stormy debate in which the speakers were mainly opponents of the program.

In particular, Liberal Democratic Party leader Vladimir Zhirinovskiy believes that it is necessary to stop the whole privatization as its main aim is to create a buttress in society for those who have come to power illegally.

The debate ended with a speech by Sergey Burkov, chairman of the property, privatization and economic activities committee, who proposed returning to the idea of a conciliation commission made up of representatives of the five leading economic committees of the Duma and the Russian Government. According to him, such a commission could prepare a compromise program by 1

October, which would take stock of deputies' proposals approved by the government.

The deputies are due to express their opinion on Sergey Burkov's proposal this evening.

Zyuganov, Gaydar Comment

LD2107164494 Moscow Radiostantsiya Ekho Moskvy in Russian 1505 GMT 21 Jul 94

[Excerpts] [Announcer] [Passage omitted] After the vote the speaker of the State Duma, Ivan Rybkin, told our correspondent that compromise on the privatization program is quite attainable. The LDPR [Liberal Democratic Party] and the Communists are categorically opposed to the Government draft of the program. Here is the leader of the Communist Party, Gennadiy Zyuganov:

[Begin recording] [Zyuganov] This is a program for the country's destruction, for its looting. Programs that aim to establish such relationships in the country have always resulted in the same thing—dictatorship and war. [end recording]

[Announcer] The Agrarian Party deputies also came down against the program at the last minute. Deputy Prime Minister Aleksandr Zaveryukha was an exception. The Government draft was supported by the Union of 12 December, Yabloko, and Russia's Choice. Yegor Gaydar, the leader of Russia's Choice, was interviewed by our correspondent.

[Begin recording] [Gaydar] The Duma failed to adopt the program even though, in my view, the government made a series of concessions in its efforts to reach compromise. Our group also did so. I think that the president now has no choice but to issue a decree approving the program. [end recording]

Duma Adopts Law on Commissioner for Human Rights

LD2107123794 Moscow ITAR-TASS in English 1207 GMT 21 Jul 94

[By ITAR-TASS correspondent Pavel Kuznetsov]

[Text] Moscow July 21 TASS—The State Duma (Russian Parliament's lower house) has passed a draft federal constitutional law "on human rights commissioner in the Russian Federation" in the first reading with 316 votes in favour and only one vote against.

It became necessary to adopt the legilative act because the post of a human rights commissioner is mentioned in the Russian Constitution and, therefore, his activities should be governed by a corresponding federal constitutional law.

According to the draft law, basic activities of the human rights commissioner consist in examining complaints and, if necessary, investigating into complaints about violations of civil rights and freedoms.

On the results of these investigations, he or she may recommend that public bodies and officials concerned restore violated rights and alter law-applying practices leading to violations of human rights.

According to the draft law, the commissioner shall prepare and hand over annual reports on his activities and on overall situation with human rights in the country to the State Duma.

The draft law specifies the following basic functions of the commissioner: To protect human rights by means of looking into and acting upon individual complaints and also by means of holding investigations on one's own initiative; to contribute to perfecting the work of state machinery and, first of all, relations between government officials and citizens; to assist legislative bodies in exercising control over activities of executive bodies and officials which affect human rights.

According to the document, the human rights commissioner cannot replace such traditional instruments of human rights protection as courts of law and prosecutor's offices. His aim is to supplement existing extrajudicial mechanisms of human rights protection.

Duma Ratifies Friendship, Cooperation Treaties

LD2107181594 Moscow ITAR-TASS World Service in Russian 1018 GMT 21 Jul 94

[By ITAR-TASS correspondent Ivan Novikov]

[Text] Moscow, 21 Jul—The State Duma today ratified the Treaty of Friendship and Cooperation between the Russian Federation and the Greek Republic which was signed in Athens on 30 June 1993.

It also ratified the Treaty on Friendly Relations and Cooperation between the Russian Federation and the Czech Republic that was signed in Prague on 26 August 1993.

The deputies also voted for the ratification of the Treaty on Friendly Relations and Cooperation between the Russian Federation and the Slovak Republic that was signed in Bratislava on 26 August 1993.

During the discussion of the latter two documents, the parliamentarians recommended the executive authorities, when concluding treaties, to avoid including ideological declarations in them. The parliamentarians had doubts about articles in the treaties with the Czech and Slovak Republics referring to the events of August 1968 when Warsaw Treaty troops were brought into Czechoslovakia.

Duma Ratifies 28 Mar Treaty on Use of Baykonur

LD2107163294 Moscow ITAR-TASS World Service in Russian 1259 GMT 21 Jul 94

[By ITAR-TASS correspondent Pavel Kuznetsov]

[Text] Moscow, 21 Jul—The State Duma today ratified the agreement between the Russian Federation and the Republic of Kazakhstan on the main principles and conditions for use of the Baykonur cosmodrome.

A total of 288 deputies voted for ratification, four against, and one abstention. The Russo-Kazakh agreement on Baykonur was signed in Moscow on 28 March this year.

Although it ratified the agreement, the lower house of the Federal Assembly did, nevertheless, stipulate that the treaty on the lease of the cosmodrome must be ratified by the Duma. This treaty envisages a rent of $115 million a year for 20 years.

The Russian Federation government has been asked to delay rent payments for use of the cosmodrome until formal ratification by the Duma.

Duma Ratifies CIS 1993 Draft Legal Convention

LD2107172594 Moscow ITAR-TASS World Service in Russian 1224 GMT 21 Jul 94

[By ITAR-TASS parliamentary correspondent Ivan Novikov]

[Text] Moscow, 21 Jul—The State Duma today ratified the Convention on legal assistance and legal relations in civil, family and criminal cases, which was signed 22 January 1993 in Minsk by ten members states of the CIS.

The lower chamber of the Russian parliament also ratified the treaties on legal assistance and legal relations in civil, family and criminal cases between the Russian Federation and a number of foreign countries: Lithuania, Azerbaijan, Estonia, and Moldova.

During the discussion of the convention and the international agreements it was stressed that these will make it possible to improve the legal position of Russian citizens, providing them, on the territory of the relevant states, with legal protection equal to that enjoyed by these states' own citizens.

Duma Postpones Debate on Latvia Withdrawal Accords

MK2207082294 Moscow KOMMERSANT-DAILY in Russian 22 Jul 94 p 4

[Report by Viktor Zamyatin: "Russia-Baltics Relations. The Duma Not Ready to Endorse Understandings With Riga"]

[Excerpt] Yesterday the State Duma was supposed to ratify a package of bilateral troop withdrawal agreements signed by Boris Yeltsin and Guntis Ulmanis. The Duma International Affairs Committee, however, decided against discussing this question. Now the ratification cannot take place before October, when parliament meets again after recess. As for the troops, they are supposed to pull out a bit earlier than that....

The reason for the delay, according to a member of the Duma committee, was "the Latvian counterparts' negligence." No Saeima signal of readiness to ratify the package signed in Moscow followed from their side. The Latvian lawmakers voiced the intention to approve only the troop withdrawal treaty, putting aside the agreement—wrenched from Riga with difficulty—on social guarantees to military pensioners (Russia's principled position is to pass all the agreements only as a package). Besides, many in the Duma are inclined to believe that the ratification—a concession to the United States—would give the "patriots" one more trump card in the wake of the well-known U.S. Senate decision. The men in the Russian Foreign Ministry, however, do not think this is a tragedy. Sooner or later, the entire package of agreements will be ratified by both sides. And the troops will leave by 31 August, as promised.

The Latvian parliament has some other worries at the moment. First, the deputies are preoccupied with the political crisis in the republic. President Ulmanis has instructed the rightist Movement for National Independence to start forming a new cabinet in the wake of the government resignation. Second, the Saeima is scheduled to discuss today a new draft law on citizenship whose passing has been expected in Latvia for one year now. The first draft was criticized not only by Moscow but also by Western experts for obvious discrimination against non-Latvians. The inattention of the Latvian radicals to advice from abroad may cost Latvia its place in the Council of Europe. It is obvious that having resolved these problems, Latvia's Saeima will get around to ratifying the Russian- Latvian agreements. And only then can one speak about granting Latvia most favored nation status in trade with Russia. [passage omitted]

Regional Affairs

Chechnya's Udugov Denies Country Part of Russia

MK2107100094 Moscow SEGODNYA in Russian 21 Jul 94 p 2

[Report by Viktor Khamrayev under the "Hurt" rubric: "'Chechnya Has Never Been Part of the Russian Federation.' Chechnya Information Minister Thinks Russia Cannot Prove Otherwise"]

[Text] Moscow journalists were invited yesterday to a press conference by Chechnya Vice President Zelimkhan Yandarbiyev with a promise that it was going to "cover topical questions of the Chechen Republic's foreign and domestic policy." Instead, Chechnya Information Minister Movladi Udugov spoke in the Central House of

Journalists about the Russian Federation's "not having a single legal document confirming its rights to Chechnya. As for the Chechen Republic, it has legal proof that it has never been part of the Russian Federation."

In the view of the information minister, no talks between Chechnya and Russia have taken place so far, through the fault of the Russian side. Movladi Udugov believes that Russia, where there are "too many decisionmaking centers, ...is simply unprepared for talks." Mr. Udugov cited imperial ambitions as the reason for this "unpreparedness" which make it impossible to recognize the fact of Chechnya's independence and propel certain quarters of the Moscow "political elite.... to use against Chechnya methods which are less than civilized." By uncivilized methods, the minister meant a financial blockade and "propaganda which is trying to denigrate" the Chechen side and calls it "a haven for bandits and terrorists."

Mr. Udugov stated that a leadership change in Groznyy at the present time is not in Russia's interests either: "Even if Dudayev is replaced by some of the opposition leaders, the Chechen Republic would not join the Russian Federation." In the minister's own belief, the Russian politicians, "judging from their actions in separate regions of the CIS" need "a situation of chaos in Chechnya."

The minister described such a stance as extremely dangerous because, he thinks, it takes Russia and the peoples of the Caucasus to the brink of "a new Russo-Caucasus war." Mr. Udugov sees Russian military preparations in Defense Minister Pavel Grachev's recent statement to the effect that the Northern Caucasus Military District is going to be the most fortified of all, and in "the continuing concentration of Russian troops along the perimeter of the entire Caucasus border and especially along the Chechnya border."

Chechens Rule Out Khasbulatov as Mediator

LD2107172494 Moscow INTERFAX in English 1329 GMT 21 Jul 94

[Text] Chechen Vice President Zelimkhan Yandarbiyev commenting in an Interview with Interfax on Thursday on the proposal by ex- speaker of the former Russian parliament, Ruslan Khasbulatov, to be the mediator in talks between Russia and Chechnya, said that "Khasbulatov is unable to act as a mediator."

He believes that Khasbulatov would like to play the role. Yandarbiyev said that with this goal in mind the opposition and Khasbulatov are attempting to display toughness so as to pose as peacemakers later.

In a statement obtained by Interfax on July 19, Khasbulatov expressed readiness to assume a peacemaking mediatory mission to settle the crisis in Chechnya. Khasbulatov stands for holding talks between Moscow and Chechen President Dzhokar Dudayev and with the opposition.

Tatar Leader on Implications of Treaty

MM2107143794 Moscow ROSSIYSKIYE VESTI in Russian 19 Jul 94 p 2

[interview with President Mintimer Shaymiyev of Tatarstan by ITAR-TASS correspondent Anna Melnikova specially for ROSSIYSKIYE VESTI; date and place not given: "Russia Has Ceased To Be a Unitary State Following Signing of Treaty With Tatarstan, Tatar President Mintimer Shaymiyev Believes"]

[Text] [Melnikova] Esteemed Mintimer Sharipovich, how do you assess the implementation of the treaty between Russia and Tatarstan?

[Shaymiyev] In political terms the accords which we have reached with the federal authorities following the signing of the bilateral treaty have led to stability and calm—above all, in our republic. These accords have won the full backing of the overwhelming majority of the Tatarstan population.

Nonetheless, there are problems in the economic sphere. Because, given the current budget deficit and the limited possibilities for rectifying it at a time of recession, there are some objective difficulties—not least for implementing the treaty between Russia and Tatarstan. But work is continuing in this direction and there is mutual understanding.

[Melnikova] Has Russian President Boris Yeltsin's May visit to your republic helped to solve Tatarstan's economic problems?

[Shaymiyev] Undoubtedly. Following Boris Nikolayevich's visit to Tatarstan rapid work has been done in the republic to implement joint federal-Tatar economic projects. The activity of the bilateral commission to implement the treaty between Russia and Tatarstan is helping to organize contacts with all structures forming part of the federal power bodies.

Joint projects include some which could start to be implemented this year. These are mainly construction projects which were halted after the collapse of the Union and have now been resumed—namely, the construction of the Kama river bridge, the modernization of Kazan airport, and the restoration of the Kazan Kremlin historical architectural complex.

[Melnikova] Do you think that the treaty between Russia and Tatarstan could be the basis for the conclusion of similar agreements between the center and other Federation components?

[Shaymiyev] The most valuable aspect of our treaty with Russia is that we have crossed a kind of political Rubicon, following which Russia has ceased to be a unitary state. This has begun the creation of a normal democratic federation. And this is very important. I think that similar treaties will soon appear, although the levels of mutually delegated powers between the center and Federation components could differ.

[Melnikova] Do you think that Vladimir Shumeyko's proposal to extend the powers of Federal Assembly deputies is timely from the standpoint of stability in society?

[Shaymiyev] In Boris Yeltsin's shoes I would not discuss this issue. In my opinion, all politicians need to operate within the new Constitution. Otherwise you will have a situation where, barely having adopted the Constitution, we are already planning to breach it.

To my mind, economic reform cannot be successfully carried out against the backdrop of changes to constitutional norms. We should finally learn to live in a normal, rule-of-law area.

Siberian Accord Could Be Economic 'Model'

MM2107104194 Moscow PRAVDA in Russian 16 Jul 94 pp 1, 2

[Interview with Siberian Accord leader Leonid Polezhayev conducted by correpondent Dmitriy Gutenev in Omsk; date not given: "Leonid Polezhayev: 'Siberia Is for the Russian State'"]

[Text] Your correspondent converses with Leonid Polezhayev, a high-powered regional leader whose influence on the power structures east of the Urals is indisputable today.

[Gutenov] The Siberian Accord has been much talked about of late. It is described as a monster opposed to the center, an unviable formation created for political ends.... Could you, please, clarify matters here, Leonid Konstantinovich.

[Polezhayev] It is neither one nor the other. The Siberian Accord Interregional Association, SAIA for short, comprises 19 components of the Federation—republics, a kray, oblasts, and national okrugs from Tyumen to Chita—located in a vast area of 10 million square km. It is one-third of Russia. That alone indicates Siberia's significance and, if you will, its mission for the Russian state. And in its revival Siberia can and must play a far bigger role than it does today.

We spent a long time looking for the optimal structure for the SAIA. I think we have found it. At any rate, others have embarked on our route. We appreciated that the leaders of not just the executive but also the representative branch of power should represent the territory on the association's council. And there is not the antagonism between them here which used to exist and which still does exhibit itself today at the federal level.

Initially, however, not all the questions submitted to the sessions of the SAIA Council by the territories received its endorsement, because, as in the good old days, everyone was thinking of number one. There were needless disputes, and time was wasted. Decisionmaking required questions to be professionally prepared. Coordinating councils related to particular areas of interest then arose. They number 15 today. They are located in different cities and are headed by the leaders of those territories. We set up working parties to tackle local problems.

[Gutenev] So we are three and a half years on. The Siberian Accord has sorted out its structure and mechanism for collaboration and has outlined specific work programs in the interests of its territories....

[Polezhayev] ...and Russia as a whole. What is good for Siberia is good for Russia. Two examples. The suppliers of equipment for the tire industry found themselves outside Russia when the USSR broke up. In line with proposals drawn up by the Coordinating Council for Industrial Policy and Conversion, a number of plants (in Krasnoyarsk, Barnaul, Omsk, and Nizhnekamsk) organized the Sibstankshinprom joint-stock company. Less than a year has passed, and Siberian machine tools have already started going out to tire plants of not just Siberia but other CIS countries too. Orders for units, subassemblies, and individual components have been placed with local plants, and assembly work has also been carried out at appropriate plants in the region. Of course, we need to go further and construct autonomous production units. But if the first thing we did had been to set about creating such a base, we would still be waiting a long time before we saw actual machine tools.

Another example: Who does not know the problem we face in medicine! In 1992 the country's pharmaceutical industry was on the verge of shutting down. The SAIA Coordinating Council for Health Care set up the Sibfarm company on the basis of the region's pharmaceutical enterprises. Incidentally, its founders include enterprises in both the Far East and the Urals—there's an example of Russian integration for you! With Sibfarm's help we have succeeded in boosting the country's output of medicines—the kind of medicines, moreover, which are exported. We have managed to restore life to our enterprises.

Similar things are being done in other areas too, particularly agricultural machine building.

[Gutenev] The Siberian Accord was conceived as an economic structure. And yet political questions were on the agenda of the last SAIA Council, in Irkutsk.

[Polezhayev] There is no contradiction whatsoever here. The economy has run into a political dead end. That is why speakers of both Federal Assembly chambers and representatives of all the State Duma committees came to Irkutsk. I understand politicians who feel that they must and want to be involved in an association which unites a huge tract of the Russian Federation. The SAIA Council proposed that the Federal Assembly and the government adopt a package of documents which should, in our view, effect the necessary modification to their actions in line with the reformation of Siberia's policy. That is an innovation. And our guests agreed with it. Moreover, a general agreement between the SAIA and the Federal Assembly, an agreement whereby the sides

pledge to support each other, was signed in Irkutsk. The government also proposed a similar document be signed with it. That was done. I hope that the partnership will be an honest one. Such associations—and there are eight of them in Russia—can act as a buffer between the region and the federal government. The State Duma vote on questions of rights to the oil and gas complex is the latest confirmation of that.

[Gutenev] Siberia's economy has for centuries always been, one may say, geopolitical in nature. It has been monopolized like no other region, and it demands greater support from the center. And yet you are convinced that Siberia can become a test bed for the decentralization of the management of Russia's economy. How do you see this yourself?

[Polezhayev] The federal auhorities have to answer the following questions: What do we represent to the state, and what are we building? Once that is understood, you have to answer the following question: Is Siberia for Russia or is Siberia for Siberia? If the latter, all problems disappear. We are capable within Siberia of resolving them all. And surviving. But we perfectly understand the significance of this vast region to the country. Then tell us too: In the light of our exports, how much and what should we give to the country? Let it give us a clear order and set priorities. We will decide ourselves whether to close down or work a deposit, what to develop first and what second, how many cadres to retrain and where to send them. We can supply the blueprint for our own development. There has been no response. Nevertheless, that blueprint is at the completion stage. As we see it, it is in keeping with the development strategy of Russia and could serve as a model for the future management of its economy.

The picture that we see today is a strange one, to put it mildly. The representatives of the federal authorities say: "We are with you, we support your programs." But that is all just talk. We have a validated program, "Agromash," whose aim is to fill our territories with Siberian-made machines. It was promised at all levels that it would form part of the state program. But that has not happened. No program will work without investment, no matter how well conceived it is.

[Gutenev] Clearly there have been plenty of disagreements on other questions, too. Take privatization. I know that the Siberian Accord is opposed to the version of privatization proposed for the Norilsk Combine by the Chubays team. This was discussed in Irkutsk, too....

[Polezhayev] Yes, Chubays' version does not fit into the strategy for the development of Siberia and Russia. The future of such unique giants cannot be resolved in isolation from the people's destiny. Such enterprises are the bedrock of the state. It is wrong to artificially create new market structures by closing down state sector giants and transferring their capital to the new sector. That kind of privatization, which does not take into account the region's opinion, is fraught with negative consequences. Territories, as components of the Federation, are becoming bankrupts as far as forming their own regional budgets is concerned.

Transferring the entire Siberian power industry to the "Unified Power Grid" Russian Joint-Stock Company was not the best thing to do. We failed to spot that one, so to speak. Now the center's attempts to lay its hands on Siberia's mineral and raw material base have been defeated. We secured amendments to the law on mineral deposits, which infringed the regions' interests.

[Gutenev] A powerful defense industry has developed in Siberia, particularly since the Great Patriotic War. The time has now come to reorient it.

[Polezhayev] The problem is that there is no real conversion program in the country and there is no defense equipment doctrine. We are not being told how many tanks, missiles, planes, and so forth we should produce. We operate according to local conditions. We cannot waste the existing potential—the high technology, the scientific and engineering staff, the labor collectives. It has to be said that we have the potential to retain them. Equipment for the tire industry is manufactured by the defense industry. The "Agrosib" corporation, which carries out in-depth processing of agricultural produce, needs mini-bakeries, small dairies and meat plants, and equipment for processing oil-seed crops. There is a plan to produce Siberian-made buses and much else.

[Gutenev] Recently a great wave of refugees and enforced migrants has flooded the region. Are the territories belonging to the SAIA coordinating their actions on this one?

[Polezhayev] Of course, although this is no new problem for us. The association has a coordinating council for labor and employment with a center in Barnaul. We have to try to forecast migration processes because they affect both the population arriving here and those people who have lived here a long time. After all, hundreds of thousands of people might suddenly descend on the oblast adjacent to Kazakhstan, for example, and it is simply our duty to try to anticipate that. This could be a heavy burden for the oblast. That is why we must have information about the availability of job vacancies and locations for the compact settlement of newcomers. Until now this has been a haphazard process. Now the time has come when Omsk can no longer accept the quantity of settlers that it used to accept two to three years ago. Those who had the social preconditions for relatively painless migration have already migrated. Those left behind are the ones for whom migration involved great difficulties. They cannot expect substantial aid at federal level. But abandoning people to the whim of fate is not a traditional Russian characteristic.

[Gutenev] In regional policy there is a problem of whom to help—a depressed region or the population. If the answer is the former, it will need investment. If the latter, it is necessary to encourage them to leave for

wealthier regions. There are many such regions in Siberia. What is the SAIA's policy on this?

[Polezhayev] Yes, we have many regions where the economy is going into decline. What can we do with them? It cannot be a question of "either-or." The first thing that you have to do is find the root of the problem. Why did people go to a region? And why have they suddenly begun leaving? A distortion occurred in our solution of the north's problems. We got carried away with the semi-industrial development of the agrarian sector in the southern regions and tried to apply the methods of intensification to the north as well, forgetting what had been done there from time immemorial and how it was done. Investment subsidies were used for needs alien to it. They blamed crop yields, livestock numbers, milk yields. But they ought to have blamed the things which destroyed the region's wealth. The social structure of the north changed and traditions and dynasties began to degenerate. A working group of scientists and practical workers are now preparing proposals for the SAIA. They are based on a new approach to the development of the north different from that used for the southern regions.

[Gutenev] There are difficult debates in progress about the scale of taxes paid into the federal budget. Some territories are threatening to withhold their taxes entirely. What is the Siberian Accord's attitude, Leonid Konstantinovich?

[Polezhayev] What is the Siberians' distinguishing feature? We have never been narrowly territorial in our attitude but have always felt that we were Russia's envoys. If we want a strong state, we have to pay taxes. But the correlation of tax rates needs to be reviewed. A territory which does not have resources of its own is unmanageable. We have our specialists' calculations, and we shall lobby for them in parliament and government.

[Gutenev] What role does the Siberian Accord assign to foreign investments and foreign economic ties?

[Polezhayev] I have already spoken about the special character of Siberians and their sense of statehood. Foreigners say that when they cross the Ural mountains they are surprised because they feel that they are entering a different state with different people. There is a different character of relations here: "What do both sides get from our contacts?" Jack Segal, the U.S. consul general, recently came here. This is roughly what he said at the time: "We view the course of the reforms from the standpoint of Moscow. But this is wrong. We must view it from the standpoint of those territories where these reforms are being implemented." I agree with him. Why are foreigners looking for direct contacts with Siberia, bypassing Moscow? They have a valid lack of faith that the center can protect their investments. The Swiss today are ready to allocate the Siberian Accord several billion francs as part of the "Motherhood and Childhood" program. This is a program which we, not Moscow, will implement. They have already had their fingers burned twice in Moscow and St. Petersburg. They made investments but do not know what happened to them.

A unique situation has developed in which the Siberian Accord, like the Far East, is being individually invited to take part in a session of the Pacific Economic Cooperation organization, to which 500 of the world's largest countries [as published] belong and in whose work this region's foreign ministers take part. This is an indication of the recognition of our structure. Contacts at the level of states and firms prove that the SAIA's role is growing constantly.

[Gutenev] The foreign press has begun to carry articles which try to work out in all seriousness what the United States would gain from buying Siberia.... This would add another seven stars to the 50 on the flag.

[Polezhayev] I do not believe that that will ever happen. We have indeed become weakened and are going through a crucial time connected with the new state structure. But Siberia is not a desert. Russians have been living here for centuries, they consider it their homeland and are not going to let someone else fly their flag here as easily as all that. Let them buy South America: It's closer to home for them.

[Gutenev] What can you tell us about mutual relations with our near neighbors?

[Polezhayev] Our southern neighbor is Kazakhstan. A sober calculation and commonsense logic suggest that we cannot live without one another—either politically, spiritually, or economically. Omsk Oblast gets one-third of its electricity from its neighboring state. Our thermal power stations work exclusively on coal from Ekibastuz while the latter—because of the specific nature of its coal—has no other sales markets. Siberia gets a lot from Kazakhstan and exports back to it. The meeting of representatives of the Russian and Kazakh territories in Omsk in January helped to resolve many questions. Each day more and more Russian-Kazakh enterprises are registered. An agreement has been concluded on the creation of a transnational corporation whose main task is the normalization and development of economic ties among the two states' commodity producers on the basis of the power industry. Another meeting of leaders of the border territories has now become necessary. That apparently will also take place in Omsk. It would be stupid and too costly to destroy the practice of the division of labor which has developed, forget about the age-old traditions of cooperation, and begin creating a barter economy. The Siberian Accord has everything it needs to develop the region's economy without upheavals or convulsions.

[Gutenev] Thank you for talking to us.

International Affairs

Kuchma, Clinton Discuss Economic, Nuclear Issues

LD2107233094 Kiev UNIAR in Ukrainian 2200 GMT 21 Jul 94

[Text] Kiev, 21 Jul—U.S. President Bill Clinton and Ukraine's President Leonid Kuchma held a telephone conversation. Clinton congratulated Kuchma for his election to the highest state post in Ukraine and spoke out for the further consolidation of relations between the two countries. Much attention was paid during the conversation to issues of economic cooperation. "We are interested not in fragmentary relations, but in working out a large-scale mechanism of economic interaction," Kuchma emphasized. They also discussed issues pertaining to nuclear disarmament.

Kuchma Criticizes U.S. Aid as 'Rhetorical'

LD2207093194 Kiev UNIAR in Ukrainian 2200 GMT 21 Jul 94

[Text] Kiev, 21 Jul—President of Ukraine Leonid Kuchma met representatives of the Ukrainian Congressional Committee of America. The committee's delegation included (Ascold Lozynskyy), (Tamara Dialo), (Ivan Kowbasa), (Roxolana Lozynska) and others. They discussed a framework for cooperation between the president's administration and the Ukrainian community in the United States, including a reciprocal information flow. The meeting described the role of the diaspora as a factor of influence on the U.S. Government in matters concerning financial and economic aid, and political support.

The president observed that much of the U.S. aid had been "rhetorical rather than genuine," used mainly by U.S. consultants. The United States, according to Leonid Kuchma, was to a large extent, even obstructing Ukraine's economic development.

Speaking on Ukraine's nuclear status, the president said the issue remained unresolved. Ukraine was still nuclear and had to receive compensation for disarmament.

Discussing the language issue, the president said the state language was Ukrainian, mandatory at all educational establishments, in the Armed Forces, government circles, and so on. Russian-language schools were allowed in some areas where the resident majority was Russian; however, the study of Ukrainian was obligatory.

With regard to the CIS and the Eurasian union, President Kuchma said this meant not a CIS union, but first the development of markets for Ukrainian products in CIS countries and beyond: in the Baltic states, the Czech Republic, Poland, and the Far East. At the same time, Ukraine would be involved in technological trade with Western countries which were not yet a market for Ukraine because its products were lacking sufficient standards. The president described his attitude to the CIS: "I intend to be nobody's vassal."

Speaking on the Black Sea Fleet, Leonid Kuchma pointed to "unbeneficial treaties" signed by his predecessor. He said, however, the issue had to be resolved without conflict.

For the president's administration, the meeting was attended by Leonid Kuchma's adviser Dmytro Tabachnyk and chief of protocol Heorhiy Chernyavskyy.

Moroz Charges G-7 'Vacillating,' Favors Israel

AU2107132494 Kiev HOLOS UKRAYINY in Ukrainian 20 Jul 94 p 1

[Unattributed report: "The Risk That Promises Profits"]

[Text] Last Monday [18 July], Ukraine's Supreme Council chairman O. Moroz had a meeting with a group of prominent Israeli industrialists—president of the "Danker" concern Sh. Danker, president of the "Gilat" company Sh. Tirosh, general director of the company "Dor-Chemicals" E. Hovav, and others. The subject of the talks was attraction of foreign investments in the Ukrainian economy. The chairman of the Ukrainian parliament pointed out that, while the G-7 is vacillating and advancing terms on which capital may be channeled to our country, such countries as Israel could firmly establish themselves on the Ukrainian market. "Indeed, there exists a certain risk, as is always the case in business. However, in Ukraine, it will be repaid a hundredfold to those investors, who will be the first to come to us."

It must be pointed out that, at the meeting, the Israeli side did not conceal its desire to emerge upon the Ukrainian market.

Moroz To Head Team to Moscow for Talks

MK2207075294 Moscow SEGODNYA in Russian 22 Jul 94 p 1

[INTERFAX report: "Ukraine Supreme Soviet Delegation Will Come to Moscow"]

[Text] A Ukraine Supreme Soviet delegation led by Oleksandr Moroz is going to Moscow for talks next week. He has stated that "this trip is the first step toward the signing of a treaty on friendship and cooperation between Ukraine and Russia." In the opinion of Moroz, the document ought first and foremost to provide for the creation of a customs union, specify regulations for the border areas, and solve the problem of mutual payments through setting up a joint bank.

Meshkov Reports on Overseas Visit

LD2107132694 Kiev UNIAN in Ukrainian 1040 GMT 21 Jul 94

[Text] Simferopol—On 20 July Crimean President Yuriy Meshkov reported on his visits to Kiev, Moscow, Switzerland, and Germany on local TV.

In his view, with the election of Leonid Kuchma as president of Ukraine, the "political climate in Kiev had changed to such an extent that one could talk about qualitative changes in the political arena in which the problems between Crimea and Ukraine would be resolved. I consider that downright nationalists and persons who are capable of resolving these issues using whatever methods, including the use of force, will be excluded from among those who will be taking part in the talks, said Yuriy Meshkov. In his words, he understood from a conversation with Leonid Kuchma that such people will be removed not only from the parliamentary delegation, which is conducting the talks, but from the government as well.

At the same time, the Crimean president noted that the forces, which supported Leonid Kravchuk in Crimea, could hardly count on "a goodwill attitude on the part of the new leadership and this would be reflected in how general national problems are going to be resolved—the resettlement of Crimean Tatars, re-equipping and granting them assistance." In the view of Yuriy Meshkov, the Crimean Tatar leadership has put its people in a difficult situation and such political mistakes are unacceptable.

Yuriy Meshkov noted that during his trips to Switzerland and Germany agreements were reached on investment in the peninsula's economy. Investments will be made in housing construction, port reconstruction, the construction of ferries and hotel management. Because of these trips, Yuriy Meshkov issued an instruction to the Crimean Government not to raise bread prices.

The president of Crimea gave assurances that the Crimeans' standard of living would rise by this autumn. In particular, in several months a civil servant in Crimea will receive the same salary as a civil servant in Russia.

Roundtable Meets To Discuss G-7 Aid Distribution

LD2207021494 Kiev UNIAN in Ukrainian 1900 GMT 21 Jul 94

[Text] Kiev [no date as received]—On 21 July, a "roundtable" took place at the World Bank office in Ukraine. It was dedicated to the results of the meeting between representatives of the Ukrainian Government and representatives of the countries-financial donors to Ukraine. In particular, they discussed the G-7's decision to give credits to Ukraine in the amount of U.S. $4 billion, if Ukraine implements economic reforms.

Daniel Kaufman, chairman of the World Bank mission in Ukraine, said that the time when this aid will be rendered in real terms depends on the Ukrainian Government itself, i.e. on its internal decisions regarding stabilization, liberalization, and small- and medium-scale privatization.

In the opinion of Deputy Finance Minister Borys Sobolev, this aid will stimulate the internal forces in the Ukrainian economy and will allow it to find internal resources. The readiness of 16 countries to render aid proves that our country is involved in the international distribution of labor as a producer of hi-tech products and not just as a raw material appendage and the source of a cheap labor force. According to Sobolev, a plan for Ukraine's financial needs for the next five years has been worked out at the Ministry of Economy of Ukraine, according to which Ukraine requires $2 billion of foreign aid annually, of which $800 million are to be used to pay off Ukraine's foreign debt and $1.2 billion to finance critical imports—in particular, power sources—and the budgetary sphere.

Oleksandr Kulakov, chief of the Ukrainian Cabinet of Ministers' department for relations with international financial organizations, said in an interview with a UNIAN correspondent that an ad hoc consultative group under the auspices of the World Bank and with the participation of Ukrainian Government representatives will coordinate the setting of priorities for administering this aid.

Answering a question on who will distribute this money if it is, nonetheless, extended to Ukraine, Kulakov replied: "For example, the money that will be channeled along the lines of the International Monetary Fund will be paid into an account of the National Bank of Ukraine and then distributed by the government."

National Affairs

Kuchma Appoints Acting Interior Minister

LD2107153894 Kiev Radio Ukraine World Service in Ukrainian 1500 GMT 21 Jul 94

[Text] Edict by the president of Ukraine on the minister of internal affairs of Ukraine:

Andriy Vasylyshyn is hereby relieved of the post of Ukraine's minister of internal affairs.

President of Ukraine Leonid Kuchma.

Edict by the president of Ukraine on the acting minister of internal affairs of Ukraine:

Volodymyr Radchenko is hereby appointed as Ukraine's acting minister of internal affairs.

President of Ukraine Leonid Kuchma.

Minister's Biography

WS2107143194 Kiev Ukrayinske Radio First Program Network in Ukrainian 1400 GMT 21 Jul 94

[Excerpt] By a Ukrainian presidential edict, Andriy Volodymyrovych Vasylyshyn has been dismissed from the post of Ukrainian interior minister. Volodymyr Ivanovych Radchenko has been appointed acting interior minister. Here are some details of his biography: He was born on 23 October 1948 in Kiev; a Ukrainian; married; father of two children; has higher education as an engineer and lawyer. Since 1971, he has worked in state security offices, having advanced from investigator to Ukrainian Security Service deputy chairman, head of the Department for Fighting Corruption and Organized Crime. [passage omitted]

Kuchma Decrees for 'Urgent Measures' in Crime Fight

LD2107162694 Moscow ITAR-TASS World Service in Russian 1540 GMT 21 Jul 94

[Report by ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[Text] Kiev, 21 Jul—New Ukrainian President Leonid Kuchma intends to use military units and the technical resources of the armed forces in the fight against crime. Today he issued a special decree on urgent measures to step up the fight against these negative phenomena in society, which in many ways echoes the decree signed in June by his Russian colleague Boris Yeltsin.

The document draws particular attention to the annihilation of armed criminal groups which are of an interregional and international character. Besides units of the Interior Ministry, the Security Service and the National Guard, regular army units will now be used to neutralize them.

Like the similar document issued by Boris Yeltsin, the Ukrainian president's decree empowers internal affairs bodies and the Security Service to detain, with leave from the procurator, for a period of up to 30 days in the first instance, "persons concerning whom there is reliable information as to their complicity in preparing or committing acts of gangsterism, terror, extortion and other serious crimes." This procedure will be valid until the Ukrainian parliament adopts appropriate legislation.

The decree, which comes into force as soon as it is published, authorizes the allocation of the requisite funds to finance the measures for which it provides. Additionally, 50 percent of confiscated goods are to be channelled into the development of the material and technical base of the Ukrainian law-enforcement agencies.

Crime Decree Issued

LD2107200094 Kiev UT-1 Television Network in Ukrainian 1600 GMT 21 Jul 94

[Decree issued by President Kuchma on urgent measures to step up the fight against crime—read by announcer]

[Text] In connection with an extremely complicated crime situation in Ukraine and with the aim of ensuring protection of the constitutional rights and freedoms, lives, health, and property interests of citizens, of consolidating law and order, as the most important condition for the normal functioning of society and the state, and in compliance with Clause 1 of Article 114/5 of the Constitution of Ukraine, I decree:

1. The Ministry of Internal Affairs of Ukraine, the Security Service of Ukraine, the State Customs Committee of Ukraine, the State Committee for the Protection of the State Border of Ukraine, the National Guard of Ukraine, the Government of the Republic of Crimea, the executive bodies of local self-government, with the participation of the Prosecutor General's Office of Ukraine, are to carry out on a regular basis coordinated measures aimed at resolutely stepping up the fight against banditry, corruption, and other grave crimes. They are to pay special attention to neutralizing armed criminal groupings of an interregional and international nature, which use explosive substances and devices and terrorize the population. They are to use more actively special detachments of the Ministry of Internal Affairs of Ukraine, the Security Service of Ukraine, the National Guard of Ukraine, and also technical means of the Armed Forces of Ukraine and other military formations to carry out operations to neutralize banditry and other criminal groupings. They are to involve the personnel of the educational establishments of the Ministry of Internal Affairs of Ukraine, the National Guard of Ukraine, the Security Service of Ukraine, and also the servicemen of the Armed Forces of Ukraine in places of deployment of military units, to ensure law and order in public places, protection of the rights, freedoms, legitimate interests, lives, and health of citizens.

2. The Government of the Crimean Republic and local executive bodies of self-government, together with law-enforcement bodies, are to determine places and localities where gangsterism and serious crime is rife and keep developments there under special supervision. The Ministry of Internal Affairs of Ukraine, the Security Service of Ukraine, and their bodies are to place personnel and subordinate services in these areas in an intensified mode of operation, to conduct special operations against gangsterism, racketeering, hostage-taking, and other serious crimes. Additional mobile groups of law enforcement officers and servicemen are to be brought in for that purpose, the number of patrol teams is to be increased, especially in the late hours and at nighttime, and relevant equipment is to be allocated. Measures in respect of crimes against the individual, economic crimes, including those in the credit, finance, and

banking systems, foreign trade, and transport, are to be regarded as priority areas in the work of law-enforcement bodies.

3. The Ministry of Internal Affairs of Ukraine, the Security Service of Ukraine, and the National Guard of Ukraine, given accurate information about the venues of meetings between criminals, drug abusers, and persons of illegal status, must take urgent action to detain and investigate suspected individuals and take measures against them in accordance with Ukrainian legislation. Regular inspections are to be carried out at hostels, hotels, railway stations, ports, market places, and other locations of persons arriving from foreign countries in order to uncover those whose stay on the territory of Ukraine violates the established procedure, and make a decision on their further stay in Ukraine.

4. Proceeding from the need to take urgent radical measures to prevent criminal actions and overcome crime, above all its violent and organized forms, and until a relevant law is passed by the Supreme Council of Ukraine, law enforcement bodies and the Security Service of Ukraine must be allowed to resort to, as an exception and with the sanction of the procurator, preventive detention for up to 30 days of persons who are accurately reported to be involved in the planning or performing acts of gangsterism, terrorism, extortion, and other serious crimes. The detainee has the right to defense and appeal against the actions of law enforcement bodies according to the legislatively established procedure. On grounds envisaged by legislation, law enforcement bodies must be given the right to immediate inspection and, if necessary, confiscation of documents and materials of particular significance to the investigation and prevention of crime at enterprises, institutions, and organizations of any form of ownership.

5. The Cabinet of Ministers of Ukraine, together with the Government of the Crimean Republic, and executive self-government bodies are to examine before 15 August this year the course of the implementation of the state program to combat crime and take necessary measures to eliminate causes and conditions negatively affecting its implementation. They are to ensure full and regular financing of the state program to combat crime and allocation of funds to reward law enforcement officers and public representatives who have succeeded in finding and neutralizing crime groupings and apprehending criminals. Within a month, funds must be allocated for the purchase of modern equipment for law enforcement bodies, above all, for special units against organized crime. Measures must be taken to speed up the preparation and passage of draft laws on the increase of criminal liability for serious crimes against the life, health, and property of citizens, above all, for attempts on the life of law enforcement officers and persons involved in guarding public order.

6. It must be established that 50 percent of funds and assets, including hard currency, seized in accordance with resolutions by internal affairs bodies in respect of administrative offences, or in compliance with court verdicts and orders, with the deduction of amounts returned to claimants on the grounds of a court judgement, are channelled toward the development of the technical base of law enforcement bodies and toward rewarding their officers.

7. Heads of ministries and other central state executive authorities, enterprises, institutions, and organizations of any form of ownership are to ensure proper order in the accounting and storage of assets, arms, ammunition, explosive substances, and devices, poisonous and radioactive substances, and drugs.

8. The Government of the Crimean Republic and heads of local councils of people's deputies are to ensure, within their delegated state and executive powers, constant coordination of actions between law enforcement and other relevant state bodies and public organizations in the implementation of this decree and consolidation of law and order in areas under their supervision.

9. The Ukrainian Procurator General's Office is advised to exercise strict control of undeviating compliance with the requirements of this decree.

10. The heads of Ukraine's Ministry of Internal Affairs, the Security Service of Ukraine, the State Customs Committee of Ukraine, the State Committee for the Protection of the State Border of Ukraine, and the National Guard of Ukraine are to report in person to the president of Ukraine at least once a month on the implementation of this decree.

11. The Supreme Council of Ukraine is requested to pass as soon as possible laws on preventive detention of the individual, on fighting corruption, on liability for legalization of criminal revenue [as heard], on crime prevention, and on measures to step up the fight against the illegal drug trade.

12. This decree takes effect from the day of its publication in the media.

[Signed] President of Ukraine Leonid Kuchma, 21 July 1994.

Kuchma Views Key Economic, Political Needs

LD2107194094 Moscow INTERFAX in English

["Exclusive" report No. 29 of 79]

[Text] Ukraine's 56-year-old president-elect LEONID KUCHMA, was sworn in on 19 July during an inauguration ceremony at the Ukrainian parliament. He swore on the Constitution and on the Peresopnitsa Gospel, the first translation of the Gospel into the Ukrainian language. On the eve of the ceremony, Kuchma was interviewed by INTERFAX.

INTERFAX: What are the most acute economic and political problems facing Ukraine?

KUCHMA: Problem number one is economic reform. Incidentally, when I was the prime minister, we did manage to check industrial decline.

Today, our main task is to allow manufacturers work normally. To do so, we need to lower taxes, carry out a reform of the monetary regulation system and annul the coupon to dollar fixed exchange rate which made our exports inefficient.

Methods of defining the coupon to dollar exchange rate have been defined by the leading experts. It is going to be a regulated exchange rate to be reviewed weekly, depending on the balance of payment and on currency exchange tradings.

Introducing a free exchange rate is an unfeasible task now, because we have nothing to support the karbovanets. Our hard-currency resources have been depleted, and we can't even pay for the earlier received credits.

We have put an unbearable burden on the manufacturers, taking away 85 percent of their income. You understand, the higher the taxes, the smaller the budget revenues. If we don't lower taxes the capital will flow out from Ukraine. The capital always leeks into the country where it can work efficiently.

INTERFAX: Many lay the blame for the hyperinflation of 1993 on you.

KUCHMA: As a former prime minister, as a people's deputy and as the president of the Union of Manufacturers and Entrepreneurs I feel responsible for the situation in Ukraine.

At the same time, everybody understands the causes of inflation in 1993. It was mostly caused by external factors. Russia raised prices on oil thousands of times, so we could not protect ourselves from inflation.

Back at that time, I proposed that we temporarily lease out the Black Sea Fleet with all its naval bases to Russia. We have returned to this idea too late. I also regret that as prime minister I failed to prove to the parliament that such a measure was a must.

The blame for the current socioeconomic problems also rests with the former parliament. I think we should set up a commission that would analyze Ukraine's path since the declaration of independence, as well as the work of the parliament.

To get an idea of who is responsible for the current situation, one should recall that the former parliament adopted the law on local governments, thus destroying the vertical system of executive authority.

INTERFAX: After the elections, the leaders of local governments were given considerable powers. How are you planning to deal with the new "governors"?

KUCHMA: I will attach my representatives to the local governments. What is meant here is control over the observance of the constitution and laws, not mistrust. I'm convinced, at the same time, that it is impossible to build capitalism or communism in a separate region. Those who will try to defy the general economic policy will only do harm to their regions.

I will try to explain this to the local leaders and propose that we try to survive together. In fact, none of our enterprises can survive without state assistance. When certain managers disagree with this, I remind them that they are using water and land for free.

Those of the local leaders who think that I'll be a purely formal figure and they will do whatever they want are mistaken.

INTERFAX: During the election you secured the votes of different people. Some reckoned on reforms, while others, say supporters of communists, hoped an end would be put to reforms.

KUCHMA: We shall continue to implement the reform by all means, under state control. This will benefit all, including those who oppose the reform. Really, lately, we have not made a single step towards reforming our economy.

So far, we have no clear-cut program of reforms. International financial organizations are proposing programs which they have tested in Latin America or Africa and which will not work here.

INTERFAX: On whose assistance do you count?

KUCHMA: I'm ready to cooperate with all economist, including Russian. We shall be very grateful to Russian scientists. I will also work with Vladimir Lanovoi and Viktor Pinzenik (prominent economists who developed the strategy of Ukrainian reforms—INTERFAX). Such a team will work under the aegis of the presidential administration and we shall take decisions on the basis of their recommendations.

The structure of the government must not be broken now. I pin great hopes on Prime Minister Vitaly Masol's common sense. He is a professional and there are sober-minded people in his government.

INTERFAX: How do you view your cooperation with the government?

KUCHMA: The appointment of the prime minister nine days before the presidential elections was tactless. However, I know Vitaly Masol as a highly professional person and I will try to cooperate with him, knowing that he supports economic reforms.

Perhaps, my tactics and strategy will be reminiscent of those used by Russian President Boris Yeltsin, who is removing obstacles from the government's way and assumes the entire responsibility for this.

I will work to create strong executive authority in strict accordance with the Constitution. Preliminary consultations with the parliamentary factions and with Speaker Alexander Moroz demonstrated our mutual wish to find a common language on many issues, including this one.

INTERFAX: Will the government be reshuffled?

KUCHMA: Undoubtedly. I do not rule out changes in the foreign and defense ministries. I think I will find enough arguments to persuade the parliament to endorse the candidacies I will propose.

INTERFAX: Have you chosen the key figures for your administration?

KUCHMA: My nearest advisor Dmitri Tabachnikov will be chief of staff. I'm not ready yet to talk about other candidacies, although I'm not going to delay the appointments, either. We have too little time.

INTERFAX: What would you say about the idea of political union between Ukraine and Russia?

KUCHMA: Russia is our great neighbor, but our economy must be open wide on western countries. Ukraine must act as a bridge between the CIS and the West, not as a sanitary cordon.

In fact, Russia and Ukraine have already created a political union in Belovezhskaya Pushcha. Now we must give this union an economic content.

There are plans to establish a Russian-Ukrainian industrial bank, as very much depends on financial relations with Russia.

Today I favor the idea of creating financial-industrial groups, including Ukrainian-Russian, and similar groups established by other countries.

We must solve the problems complicating Russian-Ukrainian relations as soon as possible.

What we must do now is to build normal and civilized relations within the framework of the CIS. Life will show what me shall do next.

INTERFAX: Among the problems you will have to tackle is the division of the Black Sea Fleet...

KUCHMA: The Russian part of the Black Sea Fleet must be based in Sevastopol. It's absolutely clear that Russia will never leave Sevastopol. However, we must lease out only the naval bases, not the city itself. Besides that, Russia must take part in financing the city infrastructure.

INTERFAX: In the West many are alarmed by your position on nuclear disarmament...

KUCHMA: The agreement on the nuclear disarmament of Ukraine, signed by the Russian, Ukrainian and American presidents must be implemented.

On the other hand, for Ukraine it's an enormous economic problem. It is one thing to remove the nuclear warheads and quite another to deal with the missiles, whose service life has expired. Ukraine will not cope with this problem on its own. But as the former manager of a missile enterprise I know that the sooner Ukraine gets rid of these warheads the better.

INTERFAX: What would you say about the status of the Russian language in Ukraine?

KUCHMA: Russian must be given an official status and never be considered foreign.

The Ukrainian language must have the status of the national language.

IF Note: Leonid Kuchma was born in 1938 in the village of Chaikino which is in Ukraine's Chernigov Region. He graduated from the Dnepropetrovsk State University, where he majored in engineering. He has a candidate's degree and is a winner of the Lenin Prize.

He worked as an engineer, chief engineer, leading designer, assistant chief designer at the Yuzhnoye rocket-building bureau (1960-75). From 1975 to 1982 he was secretary of the Yuzhnoye construction bureau's Communist Party committee. During the period from 1982 to 1986 he was first deputy general designer of the Yuzhnoye construction bureau and from 1986 to 1992 director-general of the Yuzhny machine-building plant amalgamation (Dnepropetrovsk). In October 1992 he became Ukraine's prime minister and chairman of the state commission for monetary reform. Since 1990 he has been a people's deputy.

He resigned from the post of prime minister in September 1993. In October 1993, he was elected President of the Ukrainian Union of Manufacturers and Entrepreneurs.

He is married and has a daughter and two grandchildren.

INTERFAX: Do you still believe that the mandates of the president and deputies which expire in 1996 should be extended?

SHUYMEKO: My suggestion that the next presidential and parliamentary elections should be delayed acquired a multitude of supporters at once. Moreover, virtually no one opposed it. It was sharply criticized only for the form it had been made in. I was blamed for coming out with this initiative on my own, not on behalf of some committee. But this does not alter its essence. Today it is clear to everyone that no one needs elections in the near future, and not only because they are expensive, but because the candidates will be the same. Russia has no other candidates now, and no new candidates are likely to emerge in two years' time. There are many names of different parties, but in fact there are no parties, they exert no influence on the country's political life, because in fact they represent no one.

The leaders of all parties keep their membership a secret. Therefore electorates will have to vote for the leaders of parties, not for parties or party programs.

I firmly believe that a change of power in Russia will lead to worsening the situation. No one can dissuade me.

INTERFAX: What do you think about the further development of Russia's relations with the CIS countries?

SHUYMEKO: I think that we shall move in the direction of confederation. However there is a very acute problem—the problem of borders. Each former Soviet republic would like to have either no borders, or extremely transparent ones, with Russia. As a state Russia greatly suffers from this in economic terms. Why? Because many of our CIS neighbors have no strict borders with the outside world. This means that their citizens or people from foreign countries can carry out any trade operations in our territory without obstruction. The fixing of borders must not conflict with the process of strengthening economic integration, of course. Extra customs barriers should be lifted, the system of customs duties and taxes must be revised. There is a need to form more transnational companies, joint banks and insurance companies, acting in accordance with the universal world practice. As for us, in the framework of the CIS we seek to resolve all problems by means of signing intergovernmental agreements, not by means of consolidating economic contacts. Such agreements are far from real life, and therefore they fail to work.

Kuchma Assumes Duties of Armed Forces Commander

WS2207083894 Kiev Ukrayinske Radio First Program Network in Ukrainian 0800 GMT 22 Jul 94

[Text] On 21 July, Ukrainian President Leonid Kuchma issued an edict on the Ukrainian Armed Forces supreme commander in chief. The edict reads as follows: In connection with the assumption of the office of Ukrainian president, and in accordance with Paragraphs 1 and 2, Articles 114 and 5 of the Ukrainian Constitution, and Article 5 of the Ukrainian Law "On the Armed Forces of Ukraine," effective 21 July, I assume the duties of supreme commander in chief of Ukraine's Armed Forces.

Foreign Ministry Denies Criticism of Kuchma

LD2107183994 Kiev Radio Ukraine World Service in Ukrainian 1600 GMT 21 Jul 94

[Text] On 21 July the Ukrainian Foreign Ministry press center issued a statement. In particular, it reads as follows:

Over the past few days the mass media have begun carrying reports with assessments, including negative ones, of various statements and stands by Ukraine's President Leonid Kuchma. What is more, these assessments are often ascribed to anonymous high-ranking officials of the Foreign Ministry of Ukraine.

In connection with this, the press center of the Foreign Ministry of Ukraine is authorized to make the following statement:

The Foreign Ministry is a structure within the executive power system led by the president of our state. The people who work at the Foreign Ministry understand what state discipline and ethics are. Therefore, the publication of assessments of the actions of the state's leadership which are attributed to Foreign Ministry staff who wished to withhold their names are regarded by the Foreign Ministry press center as political provocations.

Kuchma, Masol, Moroz Give 'Firm Commitment' to Constitution

LD2107180594 Moscow INTERFAX in English 1512 GMT 21 Jul 94

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin]

[Text] The Ukrainian President Leonid Kuchma, Parliamentary Speaker Oleksandr Moroz and Prime Minister Vitaliy Masol have issued a joint statement to declare "firm commitment to the current Constitution." The statement points out that the Constitution "can be amended only on the basis of compromises and goodwill of all parties." The authors of the statement are going to finalize an integral system of executive government led by the President.

Observers have pointed to the fundamental importance of these ideas of the joint message and recall that just recently parliament was going to consider serious amendments to the Constitution in order to narrow presidential powers. The President would retain only the functions of the head of state, whereas all managerial and administrative functions would be handed over to the Prime Minister. Should such an amendment be passed, Kuchma would have no chance of controlling the policy of the current Masol Cabinet, let alone make any reshuffles in the government.

Prime Minister himself has said that changes to the Cabinet, frequently mentioned by Kuchma in his latest interviews would be minimal. Masol said that on the whole the formation of the Cabinet had been completed.

Prime Minister claims that the Ministers of the Forestries and of Education have not been chosen yet.

Masol made it clear he doubted whether the current foreign minister Anatoliy Zlenko should be replaced. "I do not think that we shall change our foreign policy", he said (A. Zlenko during the Kravchuk presidency was an advocate of a moderately hard line in relations with Russia on such matters as the future of the Black Sea Fleet and Ukraine's non-nuclear status. After Kuchma's victory Zlenko told his Russian counterpart Andrey Kozyrev on the phone that "a new stage" in bilateral

relations had begun and said he was prepared to speed up the drafting of a political treaty of friendship between Ukraine and Russia.)

Analysts do not rule out Zlenko may retain his post but believe that the resignation of the Defence Minister, Vitaliy Radetskyy, would be inevitable.

This forecast is confirmed by sources at the office of the Ukrainian president. According to those sources the most probable candidates for Ukraine's new Defence Minister are the commander of the Odessa Military District Lieutenant-General Vladimir Skidchenko, deputy Defence Minister for Military Equipment and Armaments Colonel-General Ivan Oleynik, chief of the general staff Colonel-General Anatoliy Lopata and commander of the ground troops Colonel General Vasiliy Sobkov.

If it is decided that the Defence Minister should be a civilian, preference may be given to the Vice-Premier responsible for the military-industrial complex Valeriy Shmarov.

According to an anonymous official at the presidential office a new defence minister will be named next week. The same source said that "General of the Army Radetskyy was not very loyal to the new president in his statements".

As he assessed the chances of each of the four military candidates for the post, the source said that General Lopata had an advantage over the others, because Skidchenko was "Radetskyy's's protege" and General Oleynik and General Sobkov did not have an appropriate service record.

In general observers believe that Kuchma's declared intention to consolidate Ukrainian society makes Kuchma act with the maximum tact and avoid any surgical intervention in the structure of the Cabinet, inherited from the previous leadership. The list of newly-appointed government members would be limited by three or four names and the Opposition would have no reason to criticize the President for a drastic policy change or for his pro-Moscow bias. IF Note: Ex- President Leonid Kravchuk has told a news conference in Kiev he will not put himself in opposition to Kuchma. Kravchuk promised Kuchma his full support, if he continued to build independent Ukraine. He believes that the new Ukrainian president will be unable to seriously change the official policy and will, contrary to some of his election statements, follow a way mapped out earlier.

Representatives of the construction opposition to Kuchma—the Popular Rukh of Ukraine, too—believe that the president's declaration in his inauguration speech about shifting priorities in Ukrainian foreign policy from the West to the East would have no practical effect.

Changes to the key articles of the current Constitution must be made at an all-Ukraine referendum, the speaker of the Ukrainian parliament Oleksandr Moroz has said.

He told a news conference in Kiev that draft amendments to the Constitution would be ready by the summer or autumn of next year.

The session of parliament will consider the composition of a working commission to draft a new constitution by the end of this month.

Moroz said that in the future changes to the Constitution should be made by an all-Ukraine congress of delegates from local governments of different rank. The Ukrainian parliamentary speaker believes that such a congress could be convened once a year.

Parliament Speaker Favors Changes in Constitution

LD2107170894 Moscow INTERFAX in English 1403 GMT 21 Jul 94

[Text] Changes in the key articles of the Constitution must be introduced through a Ukrainian referendum, believes speaker of the Ukrainian parliament Aleksndr Moroz.

Addressing a news conference in Kiev, he said that the draft changes to the country's Constitution would be ready by the summer-autumn 1995.

Ukrainian parliament is to determine the composition of a commission, by the end of July, which is to be responsible for preparing a new Constitution

Earlier Ukrainian President Leonid Kuchma and leader of the Communist faction in parliament, Petr Simonenko, favored the adoption of changes to the Constitution through a referendum.

Moroz has stated that the All-Ukrainian Congress of Councils' Representatives should introduce changes in the Constitution. He also believes that such a congress ought to be convened once a year.

Saburov, Kuchma, Others Said Shadowed by Agents

MK2207074094 Moscow NEZAVISIMAYA GAZETA in Russian 22 Jul 94 p 3

[Unattributed report under the "NEGA Reports" rubric: "Crimea"]

[Text] Crimean Internal Affairs Minister Valeriy Kuznetsov believes that an attempt to convert the Crimean Internal Affairs Ministry into a main administration of the Ukrainian Internal Affairs Ministry in Crimea has failed. The Crimean Internal Affairs Ministry has established that Crimean Deputy Prime Minister Yevgeniy Saburov has been shadowed by operatives from the so-called Ukrainian Internal Affairs Ministry Main Administration in Crimea. Kuznetsov has said in

that regard: "Naturally, this is an unlawful, even political, action that could not have been carried out without the consent of either Main Administration chief Chernyshev or Ukrainian Internal Affairs Minister Vasilishin. In addition, we have information that Crimea Supreme Soviet chiefs have also been kept under such unlawful surveillance. Even Ukrainian presidential candidate Leonid Kuchma was tailed while in Crimea on the eve of the second round of the presidential elections."

Crimean Tatars Hope To Cooperate With Kuchma

LD2107164094 Kiev UNIAN in Ukrainian 1245 GMT 21 Jul 94

[Text] Simferopol [no dateline as received]—President of Crimea Yuriy Meshkov, in an address on local television on 20 July, attacked Crimean Tatars for supporting Leonid Kravchuk in Ukraine's presidential election. He said that from now on Crimean Tatars could hardly expect "a favorable attitude on the part of the new Ukrainian leadership."

In his comment on the Crimean president's statement, Mustafa Dzhemilev, the chairman of the Crimean-Tatar People's Majles, told UNIAN: "I do not think that the newly elected Ukrainian president is the same type of person as Meshkov." In his view, Leonid Kuchma will be guided by the interests of the state, which include a fair solution to the Crimean-Tatar problem, that is, their repatriation to their historical homeland and establishment of their statehood. The Majles chairman expressed his willingness to meet Leonid Kuchma to discuss urgent problems of the deported nation that remain unsolved. Mustafa Dzhemilev said that a letter of greetings was sent to Leonid Kuchma on behalf of Crimean-Tatars in connection with his election to the post of Ukraine's president. A letter was also sent to Former President Leonid Kravchuk expressing appreciation for what he had done for the Ukrainian state and the Crimean-Tatar people.

Democrats Urge Meeting With Kuchma To Clarify Issues

LD2107154194 Kiev UNIAR in Ukrainian 1130 GMT 21 Jul 94

[Text] Kiev, 21 Jul—Democratically-oriented parties and organizations have made a statement. The chairmen of Rukh, URP [Ukrainian Republican Party], Democratic Party of Ukraine, and "Prosvita" and "Ukraine" democratic unions assess President Leonid Kuchma's inaugural speech as an appeal to lean on anti-Ukrainian and antidemocratic forces. "The Eurasian space, where the president sees Ukraine in the forefront, is nothing but a space which economically and politically is subordinated to Russia. Historically, geographically and geopolitically Ukraine belongs to Europe. New technologies and democratic traditions could be introduced to Ukraine, first and foremost, from Europe, noted the statement. [no end quotation mark as received]

On 19 July at a meeting in Moscow of CIS defense and foreign affairs ministers, the issue of a single citizenship, joint borders, collective defense, and a parliamentary assembly of CIS countries was discussed. If President Kuchma supports Russian plans to transform the CIS into a new suprastate, this will lead to a bloody conflict because Ukraine will not voluntarily join a new empire.

The president's desire to grant Russian the status of an official language is nothing but an attempt to introduce two state languages. This does not even conform with the language law, reads the statement. The leaders of democratically-oriented parties and organizations have proposed a meeting with Leonid Kuchma in the near future to clarify the president's position.

Ternopol Residents Propose Kravchuk as Deputy

WS2207083994 Kiev KHRESHCHATYK in Ukrainian 19 Jul 94 p 1

[Report attributed to UNIAN: "Ternopol Residents Put Forward the Candidacy of Leonid Kravchuk"]

[Text] On 16 July, TERNOPIL VECHIRNIY reported that the oblast has put forward former President Leonid Kravchuk as a candidate for Ukrainian people's deputy in Terebovlyanskyy constituency No. 364. The deputy seat for this constituency became available following the death of its newly elected representative.

According to Volodymyr Shymko, who recently worked as a consultant to the rayon administration, Leonid Kravchuk's candidacy was put forward by cultural and educational workers of Ternopol Rayon, which is part of the Terebovlyanskyy electoral district, and by electors of the villages of Skomorokhy and Ihrovytsya.

A district electoral commission, which could resolve the question of whether a meeting of cultural and educational workers may be regarded as a meeting of electors (which is required by the Ukrainian law "On elections of people's deputies" to put forward candidates for parliamentary seats), has not yet been established.

Pump Defect Causes Voltage Reduction at Nuclear Plant

AU2207074594 Kiev HOLOS UKRAYINY in Ukrainian 21 Jul 94 p 1

[Unattributed report: "An Incident at the Khmelnytskyy Nuclear Power Station"]

[Text] During the early morning of 19 July, the voltage level at the Khmelnytskyy nuclear power station abruptly went down.

As an INTERFAX-UKRAYINA correspondent was told, the shift on duty had quickly unloaded power unit 1 to 50 percent of its nominal capacity. The unloading was due to a defect in the control system of the hydraulic pump operation.

The efficient intervention by the repair specialists enabled the unit to return to the usual level of capacity on Tuesday [19 July].

There were no violations in the norms and safe operation conditions at the nuclear power station. The radiation background is normal.

Shortage of Raw Materials Disrupts Operation of Furnaces

AU2107125094 Kiev HOLOS UKRAYINY in Ukrainian 20 Jul 94 p 1

[Unattributed report: "There Will Be Less Metal"]

[Text] According to the data at the disposal of Leonid Anisimov, member of Ukraine's Supreme Council Commission for Questions of Supplying Branches and Socio-economic Development of Regions, today, due to shortage of raw materials, only 38 out of 50 blast furnaces, 16 out of 23 converters, and 33 out of 60 open-hearth furnaces function. For the same reason, seven rolling mills have been halted.

Contracts Signed for 'Secure and Safe' Missile Dismantling

WS2207074794 Kiev UKRINFORM in English 1409 GMT 21 Jul 94

[From the "Business News Weekly" feature No. 29, June 11-17 94]

[Text] On 30 June 1994, two contracts to the tune of U.S$3.2 million were signed at the onset of implementing the U.S. program for assisting Ukraine's secure and safe nuclear missile dismantling.

The contracts were signed with Ukraine's Alta Crush Company and the U.S. Chem Design (Houston, TX), which provide for supplying over 21,000 tons of aviation gasoline, kerosene and heating fuel, as well as some other materials, which will be utilized by the 43d Missile Army (Pervomaisk in the Nikolaev region) in the process of ICBM dismantling.

According to the Ukrainian Defense Ministry, first fuel and lubricant supplies have been delivered to Pervomaisk.

Belarus

Clinton Hit for 'Duplicitous' Policy

MM2107145794 Moscow PRAVDA in Russian 20 Jul 94 p 6

[Commentary by Oleg Stepanenko: "Bill Clinton's Double Standard. U.S. Encouragement of Belorussian Russophobes"]

[Text] Minsk—Coincidentally, B. Clinton's visit to Latvia took place almost six months to the day after his visit to Belorussia [Belarus]. We were reminded of this fact by two readers—Gennadiy Kapanik, a worker, and Professor Nikolay Sachko. Of course, it was not to inform us of their chronological discovery that they contacted the correspondents' center. The professor, who telephoned us, could not conceal his alarm. The U.S. President did not choose Latvia for his visit accidentally, he said. That country's leadership is remorselessly carrying out an anti-Russia, anti-Russian policy. And the very fact of the visit, the professor claimed, was a show of support for that leadership. "All assurances of sympathy for Russia and a desire to help it are a fraud," Nikolay Sidorovich was convinced. "Remember how Clinton 'revealed' himself in Minsk. How he supported the unbridled Russophobes."

Gennadiy Kapanik, also a resident of Minsk, an electrical fitter with the "Belvar" production association, unlike the professor, did not phone the correspondents' center—he sent a letter, which contained a note of actual alarm. "I cannot forget Clinton's smile during one TV broadcast," he writes. "He beamed all over—before commenting on the NATO bombardment of Serb positions. My comrades and I are sure that this was no accident. This was the joy of a man whose policy is directed against Slavs.

"Why are we convinced of this? Because Clinton gave the game away, as they say, during his visit to Belorussia. It was here that he first demonstrated that he is trying to weaken the Slav peoples, to drive a wedge between them, and to incite them to internecine conflict. Here in Minsk he supported the arrant Russophobes and the opponents of Russia. People who advocate a total split with Russia, who sow enmity and hatred toward Russians, who threaten with guns in their hands to prevent the rapprochement of our peoples."

It is possible, of course, to contest this conclusion, to disagree with it—everyone has his own opinion. But facts remain facts. During his visit to Belorussia B. Clinton did indeed, to use worker G. Kapanik's expression, give the game away. He showed the true trend of the policy that he is carrying out. He showed it blatantly, by meeting Poznyak, head of the Belorussian [Belarusian] People's Front [BPF], whom he received at his residence together with his like-minded colleagues and subsequently listened to throughout his trip to inspect the ill-famed Kuropaty lake.

Who is this Poznyak, who merited such obvious favor from the U.S. President?

In brief, he is a national-Russophobe. Suffice to cite just a few of his statements. Russians, Poznyak claims, introduced into Belorussia "anticulture, boorishness, dissipation and drunkenness, Russian foul language, laziness, hatred, and deceit." He describes them as occupiers, and demands Belorussia's secession from the CIS: "We should be in no unions or commonwealths with Russia."

The BPF leader's hatred of Russians is so great that he suggests recipes for splintering Russia into separate fragments—Siberia, the Caucasus, and the Far East.

To coincide with the U.S. President's visit Poznyak set out his views in an extensive article, almost a page in length, entitled "On Russian Imperialism and the Danger It Presents," published by the republic newspaper NARODNAYA GAZETA.

This article repeats his demands in more categorical form—"No 'commonwealths' with Russia.. This means ruin for the Belorussian economy and the independent Belorussian state"—and makes unbridled, offensive attacks on the Russian nation.

Since the majority of Russians, according to Poznyak, are stricken with an imperial consciousness, and "an empire is a universal evil," this means that the Russian people are nothing less than the incarnation of evil, God's scourge for mankind. In his article Poznyak tries to reaffirm his subtext, nevertheless obvious to everyone able to think, with monstrous accusations of aggressiveness against Russians, ascribing to them the bloody provocations and slaughters that have been launched by national separatists on USSR territory.

But most dangerously of all: He repeats his idee fixe of territorial claims against Russia and demands the reexamination of Belorussia's borders with Russia. He tries to drive home the message that Belorussia has been robbed, "has lost one-third of its age-old territories—Smolensk, Bryansk, Nevel, Novozybkov, Dorogobuzh, huge lands in the East, up to and including Vyazma." And in enumerating these lands he demands: "It is time to restore justice," declaring that "the question of the return of the eastern Belorussian lands will again be placed on the agenda." In harmony with fantastic nationalist ideas which repeat the stale notions of Hitler's "Drang nach Osten," Poznyak also demands a ban on communist ideology and the Communist Party and the introduction of professional restrictions on those taking an opposite stance to the BPF. Even countries which the U.S. leadership calls violators of human rights and countries in which these rights are truly violated have not gone as far as such obscurantism or such affront to the standards of human society.

This is the man whom Bill Clinton supported in Belorussia.

It may be objected that the President did not know Poznyak's standpoint. Please do not believe this. Any citizen, even one not well-versed in diplomatic niceties, knows how thoroughly the President's contacts during his visits to another country are prepared. He is thoroughly informed about those whom he is to meet, and especially about those whom he is to receive and, as they say, take to his bosom—from their political platform to their habits. And Poznyak's platform, which he has presented wherever he has been able—in the United States, in nationalist gatherings in Ukraine, in the Baltic region—and to everyone, including American special services and the U.S. Embassy in Belorussia—was well known.

Knowing Poznyak's anti-Russian stance, Clinton offered it powerful support, as we can see. By the simple fact that, during a brief, extremely compressed timetable (the U.S. President was in Minsk for just a few hours) that was packed with talks with Belorussian state leaders and public showpieces, he met with Poznyak twice. Clinton had no meeting with a single representative of other parties or public organizations holding a position different to that of the Belorussian People's Front.

B. Clinton supported Poznyak's line and policy not only with two substantial meetings, but also in his speech to the Belorussian Academy of Sciences. "One of the most encouraging factors in your democratic process is that a political ferment has emerged," the U.S. President stated. "There are new political parties, such as the Belorussian People's Front, for example. Today I had the great pleasure of meeting them."

After Clinton's visit the "ferment" has already tried to explode relations with Russia several times. Rebelling against the unification of monetary systems and the economic union of the two fraternal republics, the political ferment supported by Clinton in the person of Poznyak threatened that, in the event of integration with Russia, Belorussians would fight; he threatened that he would "blow up the whole of Russia."

At various "soirees" large numbers of the "fermenters" from the "national democrats" supported by Clinton have called on people to "fight against the occupiers (that is to say, Russians) until final victory" and have sung martial ditties naming Russians as nothing less than "Muscovite trash with bloody hands."

At one of these soirees, where the well-known Belorussian current affairs writer Albert Stryapkiy was present, some lively individual jumped up on stage from the floor and conveyed to those present ardent greetings from the State of Minnesota, where "the veterans of the Belorussian liberation army" have based themselves; then, sitting down at the piano, he played that "army's" march for the assembled company.

His answer was a torrent of applause.

It is not only Sachko and Kapanik who see that the cutting edge of Clinton's policy is directed against Slavs, and first and foremost against Russia. Many people are writing and talking about this today. While assuring Russia of his support, the U.S. President and his team are encouraging everything leading to its destruction. Above all Yeltsin's economic reforms. Even the policy of Western "aid" to the former union republics has a clear tendency—to further isolate them from one another, to prevent integration and unification.

The recent visit to Latvia only confirms our readers' conclusion about Clinton's duplicitous policy.

Lukashenka's Supreme Soviet Economic Address

WS2107110094 Minsk Radio Minsk Network in Belarusian 0700 GMT 21 Jul 94

[Speech by Belarusian President Alyaksandr Lukashenka at an emergency Supreme Soviet session in Minsk—live, in Russian]

[Text] Dear compatriots! Esteemed people's deputies and foreign guests!

My address to the Belarusian people is prompted by my anxiety over the destiny of our state and its citizens. I do not want to dramatize the situation. The situation in our economy, however, has reached a breaking point, after which the question of national survival must be raised. Every common man knows what kind of heritage we have: a mad—it is hard to find another word—increase in prices by 3,000 times over the past three years; mass numbers of enterprises stand idle; raging crime and corruption have driven the people to the brink of despair. It is not clear what type of society we are building. Will there be jobs in the future for those who have jobs today, not to mention those who are just now entering the work force? Will we protect our elderly? Will it be possible to have a roof over one's head? The president, as elected by the entire nation, and—I am sure of this—every single citizen is now asking the same question: What to do?

It is necessary to evaluate the current economic situation without panic and resolutely begin the implementation—in the shortest time possible—of stiff measures for guiding the Republic out of its deep crisis. There is no other option today. To move forward and create an economically prosperous society, we need the people's confidence and firm political will, their industriousness and love for our fatherland. We have all of these elements. I ask for only one thing—for patience and understanding of the fact that there is, and there will be, no easy way out of the situation our country faces today.

Unfortunately, the process of our national economy's disintegration continues today. National income, compared to the same period last year, has dropped by 32 percent; industrial output has decreased by 34 percent; construction—by 33 percent; agricultural production—by 32 percent.

An estimate of the number of unprofitable enterprises. The proceeds from the sale of goods and services do not cover production costs in a number of important economic sectors. Fixed and working capital is being spent on consumption. Thus, according to the results of the first five months of this year, 83.3 percent of the enterprises in the electrical power engineering sector are unprofitable; in housing and municipal services—98.4 percent. It is the same situation with enterprises in other branches of the economy.

If we maintain the fixed tariffs for electricity and fuel, the debt to organizations supplying us with energy resources will amount to the huge sum of 16 trillion Belarusian rubles by the end of this year. In addition, our energy debt to the Russian Federation totals, as of the beginning of this month, 13.6 trillion rubles.

How are we to finance these costs? At the expense of credit emissions by the National Bank, that is to say, the issuing of unbacked money? This will surely trigger a further devaluation of the Belarusian ruble and a new jump in prices. We are firmly determined to put an end to this faulty practice. This means that the consumer will have to pay for goods and services in real prices, in full and on time. Then, by the way, there will also be fewer cases of embezzling.

What do we see today? High prices do not allow us to sell what we produce, while the threat of inflation and the inertness of enterprises do not present any possibility for prices to go down. As of 1 June 1994, the sum of ready-made goods in our enterprises' warehouses and the debt for supplied, but unpaid, production amounted to 5.3 trillion rubles, that is to say, almost the total monthly production volume of our entire industrial sector. There are 282-billion-rubles worth of goods sitting in warehouses of the Minsk Motor Vehicle Plant; 145 billion rubles worth at the production amalgamation Gomselmash; 126-billion-rubles worth at the [Minsk] Tractor Plant; etc., etc.

The situation in agriculture. Production costs are increasing sharply. The financial situation of the majority of our kolkhozes and sovkhozes is deteriorating. It is no secret that the prices for animal husbandry projects at a number of farms have already exceeded world levels. It is necessary, on quite a new level, to promote advancements, increase the discipline level, and fulfill technological requirements. This allows us to assert that the production of meat and milk in 1994 decreased by 12 percent—59,000 tonnes of live weight [zhivoy ves] meat— and this is not only due to the nonobservance of price parity. To make the production of meat, milk, and other agricultural goods profitable, I charge the Cabinet of Ministers with the task of settling accounts with kolkhozes, sovkhozes, and individuals for produced goods at substantiated and fair prices.

The high number of trade brokers contributes to higher prices for foodstuffs. Regrettably, they have recently been springing up like mushrooms, predominantly, on account of merchants and other entrepreneurs. As a result, the 30 percent maximum trade surcharge, set for state-run trade, sometimes reaches 70 percent, and in some cases it amounts to 400 percent. This is state-run trade, which is supposed to be regulated and run by us, the government. This is the state sector. One must bring an end to this arbitrariness and restore order. We are going to tackle this problem.

The economic crisis has also affected the area of investments. Over the last two years, the volume of industrial investments has decreased by 47 percent. What is surprising, is that despite this meager volume of capital investment, the average duration of construction work in 1993 was 1.5 times higher than the norm, and more than 2,000 facilities were mothballed. Who initiated this or that construction project and later abandoned it? Why have these resources been left idle? I will not ask more questions. It is clear that someone will have to thoroughly examine this area.

Why has the banking system abandoned the area of investments? Our banks are directing more than 90 percent of their credit resources to short-term endeavors, which is leading to profiteering by banks or their customers, but for the common man, this results in price hikes. How to explain that long-term loans comprise 8.5 percent of the total sum of credits granted by Promstroybank; 5.6 percent—by Poisk bank; 5.5 percent—Belbiznesbank; and 5.1 percent—by the Belarusbank, a bank, which we along with the government established hoping that it would boost our economy and lead it out of the crisis. After all, the founders of these banks are generally state-run enterprises. Do the directors of these banks really forget that production is shrinking, that depreciation of capital stocks is approaching 60 percent, and all factories, which are still working, are on the verge of stopping. We will insist that our largest banks grant more long-term credits to Belarusian enterprises, for currency-reimbursable projects of technical reequipment, to launch new production, not only in rubles, but also in hard currency. I would like to ask all managers of banks, which have been established by us, to regard my statement not as a declaration, since specific actions will follow this statement. We have not established banks in our society to make banking circles rich. We have established them to put our economy in order, and to elevate it to an appropriate level.

Our country's financial system is in a deep crisis. Finances of enterprises have been disorganized. As a result, Belarusian enterprises are experiencing severe shortages of funds, which have primary been caused by the law level of manageability of the economy, increasing production costs, overhead expenses, declining labor productivity, and the freezing of a huge part of working capital in unsold products. A great many managers, instead of organizing labor to reduce production costs, blame this deep crisis on only external factors, not on their own inactivity. Instead of searching for markets for their products and recovering debts, they concentrate all their efforts on acquiring preferential or free credits and

tax reductions. The state's foreign and domestic debt continues to increase. By the end of 1994, the foreign debt will amount to $2.3 billion, or will increase by almost six times from two years ago. This means $220 per every Belarusian citizen. The Belarusian domestic debt, even if there is a strict economic policy, will increase by no less than 10 times this year. Such a pace of increase in the foreign and domestic debt is inadmissible. This is leading the country close to the verge of economic and political collapse. It is necessary to more responsibly use budget funds. In the first six months of the current year alone, budget expenditures exceeded the approved sum by 5.5 trillion rubles [R]. [passage indistinct] The exhaustive subsidies for foodstuffs; housing, municipal, and transport services; and energy have become a direct factor of the devastation of the state budget. If the current subsidies for these groups of products are preserved, more than R26 trillion will be needed in the second half of this year, including R16 trillion for energy, R3 trillion for baked goods, R2.8 trillion for milk, and R2.4 trillion for housing and municipal services. There are no such funds in the budget, and the state will simply not endure such a destructive policy. Therefore, it is inevitable to take measures aimed at reducing subsidies. Judge for yourself: In the second half of this year, additional expenditures to compensate prices for foodstuffs alone will amount to almost R6 trillion. This is an absurd situation. In the first place, the state imposes high and numerous taxes on enterprises and citizens, in this way establishing a liquidating fund, which is used to maintain unjustifiably high prices. Then, these products are purchased by people who are not poor. Cannot they buy bread and milk at real prices? They can. It is even worse that we subsidize prices at the expense of the entire society, including the poor. Those who profit from this are profiteers, who export and resell goods, in this way making fortunes. The government has already tried to close borders by administrative methods. This attempt, however, has failed, and it will never be successful. Therefore, it would be better to give the money used for foodstuffs subsidies to poor pensioners, handicapped people, and students. Then, the grounds for embezzlements will disappear. A man himself will dispose of his money. I believe that the people will understand such a position.

Esteemed compatriots! No matter what arguments one presents to me, a man always assesses a state policy judging by his living standards, and our living standards are deteriorating catastrophically. It is enough to provide certain figures. Whereas last year the increase in prices exceeded the increase in incomes by 21 percent, in the first six months of this year—by 23 percent. Tell me, how can one survive if the minimum wage amounts to one third of the minimum consumer basket? Translating this into understandable language, I will explain that around 1 million people in Belarus now live below the poverty level, spending almost all of their meager incomes on food. A serious problem which bothers society, and reminds us of socialist equality, is the forming of classes of rich and poor people. For a common man, it is hard to find answers to the following questions: Why does a girl who sells flowers earn more than a machine-tool operator or sovkhoz worker? Why are our streets filled with poor people begging while businessmen drive by in Mercedes' and Volvos? The people see that the acute deterioration of living standards is accompanied by the enrichment of certain groups of businessmen and dishonest bureaucrats, to put it clearly. I am not against rich people. Their wealth should, however, be gained through honest work. It is unethical to take advantage of the imperfection of our legislation to become rich.

In this regard, the main goal of our social policy in the near future must become stabilization of the living conditions of the majority of Belarusian citizens, and later, their improvement. Since the division of society, in terms of wealth, is inevitable, the president and his government will take the most decisive measures against unscrupulous businessmen. We will bring an end to blatant arbitrariness. The state has enough power and resources to do that. This is one of the primary provisions of my election platform, and I will consistently uphold it in my activities. I know that my former opponents and main candidates for the presidential office, without exception, included this provision in their election platforms. I invite all of you to join this battle. Let us abandon all ambitions and mutual lack of ideological tolerance. Let us make this issue the criterion for our relations. I believe that we will reach an understanding with Zyanon Paznyak, Stanislaw Shushkevich, Vasiliy Novikaw, Dubko, and you, Vyachaslaw Frantsevich [Kebich].

The growth of unemployment is sharply deteriorating the overall situation. As of the beginning of July 1994, there were almost 88,000 unemployed people registered. This might not seem like a very high number. Still, unemployment is artificially curbed through reductions in the work day and week, as well as by sending workers on unpaid or partially paid leave, which is nothing more than latent unemployment.

In-depth analyses show that losses of working hours in the first half of 1994 totaled 15.8 million workdays. This means that some 130,000 people did not work every day. I want to specifically address enterprise managers: Do not hope that you will succeed in shifting responsibility for your own passivity onto the shoulders of the state, workers, and the entire nation. Having stopped production and having sent workers on leave, many enterprise managers are waiting for either favorable market conditions or assistance from the state. These hopes are futile! They only aggravate the situation, driving the disease deeper into the body and postponing our extradition from the crisis. In other words: Stop waiting and start working!

Esteemed deputies! The emergency economic situation demands the stepping up of state regulation and the establishment of strict discipline. We must increase the

responsibility of the managerial cadre for the organization of production, the state of financial and payment discipline, and efficient use of resources. The change in the system of managing state-run enterprises does not amount to all-encompassing protection or intervention in their everyday activities. This system will be implemented through contracts with enterprise managers. The contracts will include managers' primary duties, measures of material and disciplinary responsibility for the final results of their work. The stepping up of the state's regulating function will be implemented by means of encouraging creative labor and diligent performance of managerial duties.

I cannot fail to touch upon the issues of local self-government. I am grateful to chairmen of oblast soviets for their unilateral proposal, voiced at our meeting two days ago, regarding the setting up of a vertical administrative structure running from the president to local soviets. The wisdom of any statesman, in my opinion, is the ability to harmoniously combine centralized power with the independence of local bodies on issues falling under local bodies' jurisdiction. I want to especially emphasize here that there will be no return to the administrative-command methods of managing the economy. The development of the national economy will be stimulated by economic methods and unconditional guarantees for the protection of ownership rights.

In light of the extremely complex budget situation, we aim to substantially strengthen our budgetary-financial policy. This means that the most strict measures possible will be taken to prevent transgression of the approved budget deficit. Given that there are practically no resources to increase budget revenues, primary attention will be paid to the reduction of expenditures. If we decide to reduce subsidies, the people will be paid direct compensation. I guarantee targeted social protection for individual segments of society—socially insecure groups, pensioners, students, and schoolchildren, and other citizens with low incomes. Along with monetary payments, we will also be using various forms of direct material support for poor and needy people. I promise to the people of Belarus that the president and government will not make a single step that would be ill-calculated or dishonest with regard to the people. Moreover, we will be seeking your advice on all these burning issues.

When revising the budget we will reduce expenditures for the maintenance of the state apparatus, ranging from the rayon to the national level. This process has already started in the government. We understand that impoverished, miserable people cannot afford to support such a large army of bureaucrats. Straying from the text of my report and being aware that oblast, city, and rayon soviet chairmen are all present here, I want to tell them that they should not wait until they receive instructions and guidelines from the president and government, and they should immediately begin this process. You should remember my preelection promise to significantly reduce the state administrative apparatus by approximately one-half and begin acting toward this end without delay. When revising the budget, after 1 January we will make corrections to this issue.

Under the conditions of our overburdened budget, it is extremely important to secure the full influx of taxes into the budget. Measures will be taken to raise the efficiency of the tax system. Besides, I want to warn the managers of enterprises with various forms of ownership that tax-evasion will be regarded, just as in the rest of the civilized world, as a grave offense, liable to appropriate punishment. We should finally accept civilized relations between an individual, an enterprise, and the state. The primary goal of the monetary-credit policy under current economic conditions is the stabilization of the exchange rate of the Belarusian ruble to the Russian ruble and the bringing down of inflation. Solely on this basis, and I am deeply convinced that this will begin the rapprochement of the economies of two sovereign states—Russia and Belarus. Thus, we will pursue a tough policy to reduce the influx into the Republic's economy of unbacked money printed by the National Bank. The situation, however, is such that, in emergency situations, we will have to resort to this extremely inefficient source of financing.

The process of privatization must immediately be steered toward civilized channels. We will not tolerate anarchic privatization of state property. The national wealth must not be used as a source of riches for crooks and corrupt individuals. Privatization should not be an end in itself; but a means to increase the efficiency of enterprises. Only if there is a guarantee that a privatized enterprise may work better than when it was state-run, should we make a decision to privatize it. We will conduct privatization openly, under public control. Uncontrolled privatization, rejected by the people, will be discontinued.

Strict attention will be paid to the development of the nonstate sector. This process will compensate for the shrinking of production in the state sector, enhance the efficiency of the economy, and guarantee jobs for the unemployed. Unfortunately, private business is primarily represented by middlemen. This is not correct, for these tens of thousands of people are not producing anything, just bringing up prices. Here in Belarus, we will support all those entrepreneurs who use their labor to produce goods and render services. The state must formulate the rules of the game encouraging the influx of nonstate capital into the production sector. We must boost private initiative, which will strengthen our potential, including the export potential of our economy.

Along with the Supreme Soviet, we will define our state's foreign policy. It is vitally important to steadily consolidate our relations with CIS states. I am a consistent advocate of economic cooperation with all other states, the removal of artificial trade barriers, reorientation of our foreign, economic, and political activities from putting up fences of sovereignty to open interaction with the world community. In the near future, it will be necessary to begin drafting a comprehensive large-scale treaty on

long-term cooperation with Russia, which will replace nonworking declarative agreements. Also, during my talks yesterday with the Russian delegation, this was the basis of our negotiations and was met with understanding by the Russians.

[Text] Our relations with international financial organizations, primarily the IMF, have also become complicated because of our inconsistency in carrying out economic reform. The IMF alone can initiate Western investments in the Belarusian economy. That is why we must resolve this problem in the coming weeks and coordinate with the IMF on a program for market reform in the immediate future, while still taking into account our people's national interests.

Dear compatriots, esteemed deputies! In my report I touched upon several problems in our economy which are, in my opinion, the most important and complex. As you see, the picture is miserable. This is not, however, the true staring point from which we should begin a new stage of our history...[pauses] This is the real starting point. I have presented my standpoint on the key issues—there are 15 of them. It may sound rigorous, but we will not do without introducing discipline and increased responsibility. To stabilize the situation and overcome the crisis we need strong political will and a program of emergency measures, the drafting of which has already begun. I will request that the Supreme Soviet convene an emergency session to discuss this program, however only after my negotiations in Moscow with the president and Government of the Russian Federation. The program will be targeted and distinct. It will determine the tasks and concrete deadlines for the president, the Supreme Soviet, the Council of Ministers, and local administration.

Let me voice hope that for the interests of our people and prosperity of our motherland, we will reach accord with various political forces. I will gratefully accept proposals and will cooperate with public organizations, parties, movements, and specialists, provided their efforts are not aimed at momentary goals, but at the benefit of the Belarusian nation.

Esteemed Supreme Soviet deputies! You all understand perfectly well that in a couple of minutes you will witness an event unusual to us—the former government will step down from office before the newly elected president. We should get used to such things. Regardless of my relations with the prime minister and the Supreme Soviet's relations with the government, I must say a couple of warm words to those decent and honest people who worked in that government, who tried to accomplish much, but in light of objective causes have failed to do what they wanted. I think we should thank them for this. I, as president, declare this to you, those members of the former government who will not be included in the new government: Whatever occurred before 10 July has passed into oblivion. A new page in the history of the Belarusian nation is opening before us. I repeat once again—let us discard political ambitions and our incompatibility. Yes, we are different, and there are different people in our country. We have one goal—to unify these people by improving our standard of living. Thank you for your attention.

Appeals to Diplomats for Economic Help

LD2107144794 Moscow ITAR-TASS World Service in Russian 1255 GMT 21 Jul 94

[By BELINFORM-TASS correspondent]

[Text] Minsk, 21 Jul—The main priority for Belorussia's [Belarusia's] foreign policy is to solve three tasks in one: creating favorable conditions for overcoming the economic crisis; fully restoring economic links with Russia, Ukraine and other CIS countries; and turning Belorussia into a full player on the world economic scene. This is what Belorussia's President Alyaksandr Lukashenka said today when he met the heads of diplomatic missions accredited in Minsk.

Belorussia is actively participating in the disarmament process, A. Lukashenko stressed. Having inherited nuclear weapons and a significant quantity of military hardware from the former USSR, the country, he said, "unconditionally chose the only correct path—participating in international agreements on reducing strategic and conventional weapons." The withdrawal of strategic missiles from Belorussian territory to Russia is already proceeding in accordance with a schedule agreed between the sides, said the president.

We attach great significance to participation in the activity of international organizations, the head of state noted. He said the country's leadership would work for full membership of the General Agreement on Tariffs and Trade (GATT) and towards signing a mutually beneficial agreement with the European Union.

Belorussia, A. Lukashenko stressed, is now in an extremely difficult position and needs help from abroad. Thus, the president appealed to the representatives of Western developed countries to open up their markets to Belorussian goods and to lift existing trade quotas and restrictions regarding Belorussia. For its part, the republic's new leadership will do everything it can to turn Belorussia from a "risk zone" into a zone of predictability and reliability from the point of view of foreign investment, A. Lukashenko noted.

Lukashenka Presents Candidates to Supreme Soviet

WS2107114694 Minsk Radio Minsk Network in Belarusian 1000 GMT 21 Jul 94

[Text] A report delivered by Belarusian President Alyaksandr Lukashenka opened today's Supreme Soviet session. He analyzed the socioeconomic situation in the Republic, and expressed his thoughts and concepts regarding ways for overcoming the crisis. After the

president and the Supreme Soviet approved the resignation of the former Cabinet of Ministers, the rostrum was again taken by Alyaksandr Lukashenka, who submitted his candidates for the new government.

The president would like to see Mikhail Chyhir—incumbent head of the Belarusian Ahraprambank commercial joint stock bank—in the post of prime minister. Incumbent Deputy Prime Minister Mikhail Myasnikovich, incumbent Minister of Economy Syarhey Linh, Uladzimir Harkun, chairman of a legislative commission [for agrarian issues], and Deputy Mayor of Molodechno Viktar Hanchar will be among the prime minister's deputies. Incumbent Minister of Finance Stsyapan Yanchuk will likely not quit his post, while the president would like to see Colonel Yuriy Zakharenka, incumbent chief of the investigation office of the Ministry of Internal Affairs, in the post of internal minister. The Supreme Soviet will have to discuss the candidacy of Colonel General Anatol Kastenka for the post of defense minister, while the candidacy of Uladzimir Yahoraw, former minister of internal affairs—to the post of chairman of the Committee for State Security [KGB].

Belarusian Ambassador to Great Britain Uladzimir Syanko is being proposed as minister of foreign affairs. Finally, the president believes that Dmitriy Bulakhow, chairman of the standing committee for legislation, should become chairman of the Constitutional Court.

Lukashenka Appoints New Cabinet Members

LD2107144394 Moscow INTERFAX in English 1329 GMT 21 Jul 94

[Text] Belarusian President Alyaksandr Lukashenka speaking in parliament on Thursday called competence and predictability the two main principles guiding him in his choice of new Cabinet members.

Head of the country's agro-industrial bank Mikhail Chigir has been named as new prime minister. Two former Vice Premiers Mikhail Myasnikovich and Syarhey Linh are to retain their posts, with two other vice premier posts going to member of parliament Viktor Gonchar and head of the agricultural commission Vladimir Garkun.

The post of defense minister has been offered to former Commander of the Belarusian Military District Anatoliy Kostenko. The country's Ambassador in Britain Vladimir Zenko was named new foreign minister, with the Interior Ministry's department chief Yuriy Zakharenko being offered to take charge of the same ministry. Head of the law commission Dmitriy Bulakhov was nominated for the post of constitutional court chairman. Finance Minister Stsyapan Yanchuk is to retain his job.

The president said that Chigir, Myasnikovich, and Linh would act as a check to incumbent "pro-market" President of the National Bank Stanislau Bogdankevich who retains his job.

The parliament is to hold a secret vote by computer on the proposed cabinet and will hold a paper ballot on the candidate for the post of Constitutional Court chairman.

Supreme Soviet Approves Prime Minister, 3 Deputies

WS2107124394 Minsk Radio Minsk Network in Belarusian 1200 GMT 21 Jul 94

[Excerpts] Today is the second working day of the 15th emergency session of the Supreme Soviet. Belarusian President Alyaksandr Lukashenka delivered his report in the morning. [passage omitted]

The Supreme Soviet has today approved the appointment of a new Belarusian prime minister. This is Mikhail Chyhir, who earlier worked as chairman of the Board of Ahraprambank commercial joint stock bank. Uladzimir Harkun, Viktar Hanchar, and Mikhail Myasnikovich have been approved as his deputies. The fourth candidate for deputy prime minister, Syarhey Linh, will be discussed after the legislature's break. Then we will probably learn who will become chairman of the Constitutional Court of Belarus.

Approves Deputy Premiers, Foreign Minister

LD2107160194 Moscow ITAR-TASS World Service in Russian 1525 GMT 21 Jul 94

[Report by BELINFORM correspondent—TASS]

[Text] Minsk, 21 Jul—The Belarus Supreme Soviet today endorsed the appointment of the four candidates nominated by President Alyaksandr Lukashenka as deputy prime ministers.

Wladzimir Garkun, the former chairman of the parliamentary commission on agrarian matters, will be in charge of the affairs of sthe agroindustrial complex in the new government. A total of 273 people's deputies voted for him, with six against.

Another newcomer to government will be Viktar Ganchar, who before today was deputy mayor of the town of Molodechno (Minsk oblast). According to the head of the Belarus state, Ganchar will be in charge of social affairs.

Mikhail Myasnikovich and Syargey Ling have already worked in government. One was Vyacheslaw Kebich's first deputy, while the other was economics minister. Some deputies did, admittedly, make sceptical comments about them, since all members of the former government are responsible for the situation that has developed within the Republic. However, Alyaksandr Lukashenka called them "professionals of high standing and decent people."

The Belarus parliament also endorsed the appointment of Wladzimir Syanko, the Republic's ambassador to Great Britain, as Belarus foreign minister.

Parliament Approves Nominees; Finance Minister Refuses Post

WS2207074194 Minsk BELAPAN in Belarusian 1800 GMT 22 Jul 94

[Text] At the evening session of the Belarusian Supreme Soviet on 21 July, legislators accepted several nominations put forward by President Alyaksandr Lukashenka.

Aside from Uladzimir Harkun and Viktar Hanchar, who had been appointed deputy prime ministers, the candidacies of two more deputy prime ministers were approved—Mikhail Myasnikovich (231 votes "for") and Syarhey Linh (244 votes "for").

Other approved candidacies include:

Uladzimir Syanko for the post of foreign minister—269 votes "for," zero votes "against";

Yuryy Zakharenka for the post of interior minister—234 votes "for";

Anatol Kastenka for the post of defense minister—239 votes "for";

Uladzimir Yahoraw for the post of KGB chairman—180 votes "for."

Stsyapan Yanchuk refused to accept the post of finance minister. Dzmitriy Bulakhaw was not approved as Constitutional Court chairman, given that 132 lawmakers voted "for" and 156 voted "against" his candidacy.

Alyaksandr Lukashenka voiced his regret over this fact and pointed out that "Dzmitriy Bulakhaw will be given an appropriate post in the presidential administration."

The Belarusian legislature also approved the discontinuation of Alyaksandr Lukashenka's powers as a people's deputy in connection with his assumption of the presidential post. At that point, the emergency session completed its work.

New Foreign Minister on Talks With Lukashenka

WS2207140494 Minsk BELAPAN in English 1300 GMT 22 Jul 94

[Text] New Foreign Minister of Belarus Uladzimir Syanko has informed a BELAPAN correspondent that before his appointment to this post he had only had some short meetings with Alyaksandr Lukashenka, in the course of which they discussed the guidelines for the Republic's foreign policy.

"Naturally, those exchanges of opinion were of preliminary nature. Within the next few days we intend to discuss these questions far more substantially because I think that our top priority—the relations with Russia—needs to be adjusted to a certain degree."

For the time being, Uladzimir Syanko decided to refrain from assessments of concrete fields of the foreign office's activity, the state of Belarus' relationship with various another foreign states. "I have been out of the country for about two years"—he noted—"and I need time to get a clear view of the situation."

At the same time, the minister of foreign affairs pointed out that at this point, it is too early to talk about a reorganization of the Belarusian foreign office's activity. "Of course, some corrections must be introduced"—Uladzimir Syanko—"but I maintain that over the last four years since Belarus became a sovereign state, lots of things have been done in the field of foreign policy."

Speaker Hryb To 'Respect the People's Choice'

MM2007132994 Moscow ROSSIYSKAYA GAZETA in Russian 16 Jul 94 First Edition p 6

[Report by Igor Grishan under the "At First Hand" rubric: "Mechyslaw Hryb: I Respect the People's Choice. The Viewpoint of the Chairman of the Republic's Supreme Soviet"—from SOVETSKAYA BELORUSSIYA "Newspaper Within a Newspaper" section]

[Text] "As Supreme Soviet chairman, I promised that I would not side with one candidate or another but would observe neutrality. I did not deem it necessary for me personally to interfere in that struggle and campaign for anyone. I kept my word. My attitude to the Belorussian [Belarusian] people's choice is this: For myself and the Supreme Soviet this choice is law. But I cannot say unequivocally today that the people have chosen a good or bad president. Time will tell....

"As Supreme Soviet chairman, I will be guided in relations with the president only by the Constitution, where everything is noted down clearly and distinctly. As a law-abiding person, I respect the people's choice.

"The establishment of mutual understanding between the Supreme Soviet and the president depends on the two sides. I will ask both these sides to adhere to strictly constitutional relations.

"I have always declared that I advocate early parliamentary elections, and I adhere to the same viewpoint now. In order for them to be held, however, the law 'On Elections' must be adopted on its second reading. Because the old legislation does not conform with the present conditions or the realities of life. But there is no need for haste here; incidentally, the legal time for ending the powers of this Supreme Soviet—March 1995—is not far off....

"My position with regard to Russia remains unchanged—I favor good-neighborly cooperation with that great power and a close economic union with the Russian Federation. I will, however, emphasize that I, being a champion of sovereign Belarus, have never advocated and do not avocate political unification with Russia. Therefore I regard the well-known treaty of 12 April this year as not valid or not suiting Belarus, since we are deprived of the right to determine for ourselves our own credit and monetary policy. Without this, let us

honestly admit, any state's sovereignty becomes more than doubtful, to put it mildly. In this connection I insist and will insist on the need to make changes to this treaty. The Russian side also expressed such an intention recently.

"In my opinion, we should take emergency measures today to protect the bank notes of the National Bank of Belarus and to reduce inflation. As is known, the National Bank has lawfully proclaimed these the sole means of payment on the republic's territory."

Moldova

Ciobanu Briefs Media on Privatization Progress

AU2107175394 Chisinau BASAPRESS in English 2100 GMT 17 Jul 94

[Text] Chisinau BASAPRESS, 17/7/1994—Ceslav Ciobanu, Moldovan privatization and state property administration minister, held today a press conference. The results of the Orhei pilot auction held on 29 June-5 July are valid. This was the conclusion of the republican commission made on 18 July, he stated. Some 31,000 shares of the Orhei brewery were auctioned. The initial price of the one share represented 0.05 of the patrimonial voucher that is, 10 lei. Each participant could buy 20 shares. According to Ciobanu, 802 applications for participation were submitted. Specialists say that the demand was too high. According to the current regulations on auctions through patrimonial vouchers, the brewery will be again auctioned on 27 July. Ciobanu said that on the same day 10 industrial enterprises, including "Hidropompa," "Ultapear," "Moldovahidroma," "Transservice" and Soroca cannery, will be auctioned. Though the registration rate was increased from 138 percent to 300 percent, it might happen that the demand exceed this figure. In 1994, the privatization of small enterprises will be concluded, Ciobanu said.

Bank Head, IMF Official Praise Monetary Recovery

AU2107163594 Chisinau BASAPRESS in English 2035 GMT 19 Jul 94

[Text] Chisinau BASAPRESS, 19/7/1994—At a press conference today, Leonid Talmaci, Moldovan National Bank governor, declared "Moldova has faithfully respected the IMF Memorandum." Talmaci highly appreciated the financial situation in Moldova, mentioning that the stabilization of the Moldovan leu has become possible as a result of an austere monetary policy promoted by the National Bank. If the inflation rate in December 1993 stood at 59 percent, today it decreased to 2.7 percent and the interest rate for loans diminished from 300 percent in February to 79 percent in June. "These achievements are due to the help offered by the World Bank and also to the liberalization of economic relations in Moldova," Talmaci stated. IMF representative John Odling-Smee [name as received] pointed out that if owing to that percentage, the IMF has offered Moldova the biggest credits among the CIS countries, including Russia. "The stability of the leu makes that currency more attractive in the self-proclaimed Dniester Republic and therefore most enterprises prefer the Moldovan leu to pay the salaries," said Talmaci.

Dniester Plans To Stabilize Region's Currency

AU2107163894 Chisinau BASAPRESS in English 2100 GMT 17 Jul 94

[Text] Chisinau BASAPRESS, 17/7/1994—Yesterday, a meeting of the Economic Council of the self-proclaimed Dniester Republic, attended by Commercial Bank and trade structures' leaders and presided by Grigore Maracuta, took place. A series of questions were discussed and the most difficult among them was the stabilization of the Dniester ruble exchange rate for other currencies. Dniester Vice Prime Minister, Nikolay Kiba, informed the meeting that the Tiraspol Government proposes two solutions. The first solution is to liberalize definitively the Dniester ruble exchange rate, and the second is to promote market economic relations to stabilize at the same time, through administrative intervention, the Dniester ruble ex-change rate related to the Russian ruble. All participants at the meeting opted for the second solution and Kiba proposed, for the beginning, an exchange rate of 4,000 or 5,000 Dniester rubles for 1,000 Russian rubles. Presently, the real exchange rate quoted on the black market stands at 9,000-10,000 Dniester rubles for 1,000 Russian rubles.

Kazakhstan

Economy Minister 'Temporarily Suspended'

LD2207110094 Almaty KAZAKHSTANSKAYA PRAVDA in Russian 19 Jul 94 p 1

[Article by KAZTAG correspondent: "Minister is Confident He Can Defend His Honor]

[Text] As already reported, Minister of Economics Mars Urkumbayev was temporarily suspended from his post by presidential decree 15 July after representations from the procurator general.

Mars Urkumbayev met a group of journalists the same day and said he had been received by the president the previous day and had suggested this unprecedented decision himself, since he felt it was impossible for him to carry out his duties until he had defended his honor and good name. He said the procuracy was investigating reports that cite incidents in which he had allegedly abused his position for mercenary gains during many years of work in various posts, including that of minister of economics. He also made a similar statement at a sitting of the Republic's security council.

Mars Urkumbayev stressed the decision did not in any way represent his dismissal. It was a matter of him needing time to get together the documents that would refute accusations fabricated—as he put it—during the investigation. The minister intends to offer the work to experienced lawyers and is confident he can defend his honor and good name and that of his family and nearest and dearest, who were also affected by the reports.

This is not the first attempt to smear my name, the minister said. Someone in letters to the General Procuracy was accusing him of actions that he feels were innovative at the time, but later gained legal force. However, it would be improper, to say the least, to use such incidents as the basis of a charge. Of course, Mars Urkumbayev thinks, only honest people should serve in the government, but not even the procuracy should act on facts that are only rumors.

The minister cited one of these facts for the journalists. When he was working at the university in 1988 he was allocated a "Volga" car, with a book value of over 17,000 rubles, for his contribution to scholarship. Even then its market price in our republic was about 200,000 rubles. The question now being asked is: Why did he not acquire the car for that price?

Mars Urkumbayev does not rule out the possiblity that his ill-wishers writing to the procuracy might include people who have lost their comfortable positions in the structural reorganization of the governing bodies in which the minister of economics had also been involved. They might also include people he had once dismissed. This conclusion is suggested by numerous threats by telephone and is why Mars Urkumbayev intends to ensure his own personal security.

He again expressed his complete confidence that he would be able to prove his innocence, even before a court.

Tereshchenko Meets Chernomyrdin in Moscow

LD2107175194 Almaty Kazakh Radio Network in Kazakh 1400 GMT 21 Jul 94

[Text] Kazakh Prime Minister Tereshchenko is on a working visit to Russia. The Kazakh delegation comprises ministers, the heads of the leading departments and other officials. Prime Minister Tereshchenko met Viktor Chernomyrdin on 20 July. The meeting took place in a businesslike and friendly atmosphere. The two sides discussed ways to broaden trade and economic relations between them and expressed their wish to remove all obstacles.

The talks highlighted the implementation of the agreement signed by Presidents Nazarbayev and Yeltsin during the Kazakh delegation's visit to Moscow in March in connection with furthering economic cooperation and integration between Kazakhstan and Russia. In particular, draft agreements on long-term cooperation and the concept of expanding further joint endeavors in the energy sphere, the Caspian Sea use problems, and other bilateral cooperation issues. Our delegation intends to have business contacts and talks with the Russian First Deputy Prime Minister Oleg Soskovets, Central Bank Governor Viktor Gerashenko, and other Russian officials. The prime minister's Russian visit will conclude 22 July.

Statistical Board Reports Rise in Inflation

LD2107164894 Almaty Kazakh Radio Network in Kazakh 1400 GMT 21 Jul 94

[Text] The state statistical board reports that the consumer prices index, which is an official means to measure the inflation rate, stands at 534.3 percent as compared with December 1993. In the first quarter it was 207.8 percent, in the second annual quarter it was 257.2 percent.

Tajikistan

Parliament Endorses 1994 Budget With R190 Billion Deficit

LD2107141894 Moscow INTERFAX in English 1039 GMT 21 Jul 94

[Text] Tajikistan's parliament endorsed Thursday a '94 state budget with a deficit of over 190 billion rubles [R]. Budget revenues are to total nearly 670 billion rubles, expenditures—more than 860 billion rubles.

Social security programs are to swallow up 437 million rubles, 12.6 billion rubles are earmarked for culture, 38.17 billion rubles for the health service, and 547 million rubles for sports.

By 1 January 1994 Tajikistan's debt to its CIS partners comprised 72.6 billion rubles, its internal debt to factories and institutions—20.7 billion rubles. The budget sets a limit on the permissible size of this debt: At 10 percent of the gross domestic product.

Parliament sanctioned the Cabinet to correct budget revenues and expenditures on the condition that the size of the budget deficit is not tampered with.

National Bank Chairman Said 'Incompetent'

LD2107152994 Moscow ITAR-TASS in English 1304 GMT 21 Jul 94

[Report by ITAR-TASS correspondent Galina Gridneva]

[Text] Dushanbe 21 July TASS—The Tajik parliament has strongly criticised the activities of the Tajik National Bank and its Chairman Kayum Kavmidinov, who made a report at the morning session of the parliament today.

Lawmakers accused the bank chairman "of incompetent and ill-considered" implementation of the monetary reform in January, 1994, which, in fact, did not go beyond the confiscation of old Russian banknotes and freezing the populations's savings for an indefinite period of time.

Kavmidinov was strictly reprimanded for the bank's failure to report how Russian credits, worth 120 billion roubles, and 170 million U.S. dollars had been spent. Some lawmakers said the bank chairman should be held personally responsible "for arbitrarily manipulating cash money available in the Republic" which caused wage delay and suspension of social allowances in many regions since January, 1994.

A parliamentary commission having broad powers was set up to look into the activities of the Tajik National Bank. Conclusions made by the commission will be submitted to the next session of the Tajik parliament.

Agreements on Joint Enterprises Concluded With Turkey

LD2207102594 Tashkent Radio Tashkent Network in Uzbek 0145 GMT 22 Jul 94

[Text] Trade and economic ties between the Republic of Tajikistan and Turkey are expanding all the time. The Cabinet of Ministers together with the Yazhik Turkish firm have signed agreements on the construction of 12 cotton processing and cooking oil plants. The contruction work will be carried out using the Turkish export-import credit. Currently, appropriate sites are being allocated for the construction of these plants.

Workers at Key Defense Enterprise Stage 'Timeless' Strike

LD2107161894 Moscow INTERFAX in English 1406 GMT 21 Jul 94

[Report by ITAR-TASS correspondent Galina Gridneva]

[Text] Dushanbe 21 July—Tajikistan's major defence enterprise "Zarya Vostoka," situated in the village of Taboshar in the Leninabad region, has staged a timeless strike.

Over 1,000 workers of the enterprise have been staying away from work since Wednesday, demanding immediate payment of wages overdue since January.

The news about the strike was brought to the Republic's parliament by the director general of the enterprise, lawmaker Aleksandr Sitnikov. He told the parliament today that the personnel of the enterprise was actually forced to take extreme measures because the situation was desperate: the government owes 870 million roubles to the enterprise in wages alone.

Sitnikov said that if this problem is not resolved in the near future and overdue wages are not paid, the entire 5,500-strong collective of defence workers will support the strike in solidarity with the strikers.

A pre-strike condition was declared in the Dushanbe ambulance service whose personnel had not been paid since March.

At the same time, under the parliament's resolution extending the state of emergency regime in Dushanbe and some other regions of the country until 12 August, strikes, manifestations and other public gatherings are prohibited.

Armenia

Military Inspectors Find No Violations

944K1815B Yerevan RESPUBLIKA ARMENIYA in Russian 19 Jul 94 p 1

[Unattributed article: "Lack of Confidence Is Unnecessary"]

[Text] A group of military inspectors from Canada headed by Lieutenant Colonel Teylifer, an officer of the Canadian Verification Center, has completed work in Armenia.

The delegation arrived in Armenia in keeping with the Vienna document and within the framework of the Conference on Security and Cooperation in Europe in conjunction with an expression of no confidence in Armenia by reason of troop movements in Zangezurskiy Rayon.

According to a report from the press center of the Republic of Armenia Ministry of Defense, following inspections at the military units of Goris and Kapan the inspectors ascertained that the Armenian troops in the aforementioned zones were stationed at the locations of their permanent deployment. At the same time it was proven that Armenia is strictly complying with all paragraphs of the Vienna document.

At the request of the Armenian side, a representative of the Russian troops in Armenia was also included in the group of persons escorting the inspectors.

Police Launch 'Mass Raids' To Catch Draft Dodgers

NC2107205194 Yerevan SNARK in English 1636 GMT 21 Jul 94

[Text] Yerevan, 21 Jul (SNARK)—In the Yerevan streets police raids are going on. The Internal Affairs Ministry's civil and uniform dressed officers had begun to "catch" men till the age of 45 after middle of July when the regular three-month military assembly was announced.

Recently, the Minister of Defence Serzh Sargisyan expressed the hope that this assembly, the third one, would be carried out without violations of law.

However, mass raids are carried out every day: police stops buses and trolleybuses, carries raids in markets and stores, catches people just at their yards and houses. Last week the police stopped car with governmental officers but no one of the passengers was detained. Meanwhile, the State Minister on Defence Vazgen Sargisyan spoke for involving into assembly of representatives of middle layer of governing structures.

The continuing arbitrariness of this bodies is causing the hidden discontent of population, however the official bodies have not got any claims. No one of law defending organizations of Armenia hasn't expressed public protest against violation of law.

International Observers To Cover May 1995 Elections

NC2107201494 Yerevan SNARK in English 1352 GMT 21 Jul 94

[Text] Yerevan, July 21 (SNARK)—The international observers will be present at the coming elections to the Parliament of Armenia. The elections take place in May 1995. According to the Speaker of the Armenian Parliament Babken Araktsyan, there achieved a preliminary agreement with international organizations and individuals countries to send their representatives to observe the elections.

Mr. Araktsyan is of the opinion that the statements on the fact that the coming elections will be false thanks to the existing authorities of Armenia can be explained by the desire of the opposition to justify their defeat. The pre-election company started, coming session will show more contradictions, announced Mr. Araktsyan.

Azerbaijan

Aliyev on U.S.-Azeri Cooperation

LD2107180094 Moscow INTERFAX in English 1512 GMT 21 Jul 94

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin]

[Text] President Geydar Aliyev says that Azeri-U.S. cooperation must cover both the political and military areas. During a meeting with a U.S. delegation led by Director of the U.S. Inspection Agency Gregoriy Govan in Baku, he said Azerbaijan was an independent state which considered its relations with the United States as a priority.

Aliyev believes that Baku's membership of the NATO-sponsored Partnership for Peace plan provides wider opportunities for Azeri- U.S. military cooperation. He hopes this will help Baku bring a peaceful solution to its conflict with Armenia.

For his part, Govan said that the U.S. delegation had arrived in Baku to inspect Azeri military installations as part of the CFE [Conventional Forces in Europe] agreement and find a format of discussion by international agencies to try to resolve military and political problems of Azerbaijan. Govan said he would report back to the U.S. Administration whatever information he obtained in Azerbaijan.

In the meantime, presidential military adviser Nuriddin Sadykhov said that Azeri military experts wanted to

raise the question of increasing the country's share of conventional weapons above the limits set by the CFE deal.

He said that Armenia, Georgia and Azerbaijan were allowed the same amount of weapons after the break up of the Soviet Union though Azerbaijan was several times bigger than Armenia in population and territory. More importantly, he said, Azerbaijan's external boundaries were by far the longest in the region. IF Note: Under the agreement of May 15, 1992 the three Transcaucasian states are allowed to have 220 tanks and as many APCs, 50 aircraft and 100 helicopters each.

Sadykhov said that one of the government's tasks was to try to explain its view to the U.S. delegation.

Aliyev Visits Mosque, Stresses Islam, Unity

NC2107134094

[Editorial Report] Baku Azerbaijan Radio Televiziyasi Television Network in Azeri at 1640 GMT on 20 July carries a report by Ramiz Mesheliheseni on President Geydar Aliyev's visit to Teze-Pir mosque on 20 July, when the representatives of 153 officially registered mosques were present.

Addressing the congregation, Shaykh-ul-Islam Hadji Allakhshukur Pashazade reported on the results of Aliyev's visit to Saudi Arabia, saying Aliyev's visit is a joyous one for the Azerbaijani Muslims. He says: "We were fortunate to see the day when the Azerbaijani president visited the Kaaba and worshipped and prayed for his people. This is something new for us. He took a step toward us. In return, it is our duty to bring the righteous work of our president, our leader, to the people's attention in the mosques and public places."

Shaykh-ul-Islam continues by saying that unlike other Muslim leaders, Aliyev was given access to the Kaaba. He says he and Aliyev prayed where the prophet prayed, for the liberation of the occupied lands and martyrs of Azerbaijan, and goes on to praise Aliyev for his attachment to the religion and land.

Addressing the congregation, Aliyev speaks softly, devoting most of his speech to his visit to holy places in Saudi Arabia. He says: "The independent Azerbaijani Republic is taking its first steps toward independence. It tries to establish mutually advantageous ties with other countries to consolidate and protect its independence. As you know, this is the basic direction of the foreign policy I have charted as the president of Azerbaijan." He says it was in this context that he visited Saudi Arabia.

Aliyev goes on to state that this visit is different from other visits in that Saudi Arabia is influential in the Islamic world and on international platforms. He notes: "It was important for the independent Azerbaijani state to strengthen its position on the international platform by establishing ties with such a state in the political, economic, cultural, and scientific spheres."

Another important aspect of the visit is said to concern the location of Islamic holy places in Saudi Arabia. Aliyev says: "It was a great honor for me" to pray in these holy places to "voice the Azerbaijani people's wishes and to ask for God's help in this difficult period for the Azerbaijani people."

Aliyev says he hopes that developing relations with Saudi Arabia "will be very fruitful and important for the development of Azerbaijan's economy and its spiritual life."

Aliyev says the most important aspect of the visit was that he and his delegation visited the holy Islamic places. He says: "As a Muslim it has always been my wish to visit the source and holy places of our religion and to link myself with these places." Aliyev then details his visit to and prayers at the holy places before going on to ask "for God's help to protect Azerbaijan's independence and territorial integrity, the eternal inviolability of Azerbaijan's border, the success of measures to extricate the Azerbaijani people from this war, and an end to the war." Aliyev says that once the Armenian occupation ends, Azerbaijan will develop fast and prosper.

Aliyev calls on the people to be alert and courageous "to check the enemy's aggression." He adds: "Our policy is a peace-loving one. We want to end the war by peaceful means. But peace must be just. And justice rests in liberating all the Azerbaijani land from the Armenian occupiers. The Azerbaijani people should have sovereignty over all their territory and Azerbaijan's border should be inviolable. We are conducting peace talks on these conditions and we are trying to solve the problem peacefully by means of peace talks; I hope that we will achieve this. We are an independent state and as such should have our own force. Such a force is basically made up of the people and has, as its component part, the Army. We must have a strong army so that we can conduct the peace talks courageously. We must have a powerful army to permanently ensure the security of our own territory and defend our land and country. We must have a powerful army so that the independent Azerbaijani state may always be strong. I asked God to strengthen the power of the independence of Azerbaijan; we are contributing to this with our own efforts but we too need divine power. I hope this power will be with us. May God strengthen and increase our Army. I am addressing our Army, soldiers, and officers from this holy house of God. I want to declare that I am sure they will always courageously stand for Azerbaijan's independence and territorial integrity and will redouble the power of the independent Azerbaijan. We need national, spiritual, and citizens' unity and solidarity within our society, people, and country to render our independence permanent and to protect our territory against aggression. Our country is on the path to democracy, something I said in Saudi Arabia."

Aliyev calls for an end to disputes at home, saying: "Various forces are trying to take power or are engaged in opposition. Let them be in opposition but not in

opposition to their country, people, and spiritual values. Moved by personal and sometimes ugly desires, some individuals and groups are trying and are ready to sacrifice our country, land, and spiritual values. Such people should not live among us." He says all these internal disputes must be set aside, reasoning: "Even God and the holy Koran and Prophet Muhammad, who laid the foundations of our religion and whose temple I visited recently, demand this of us." Calling on the people to unite, he says: "Those who harm the people should step aside. They should not be given free reign. The more we are united the more we will ensure the existence of an independent Azerbaijan, the more we will extricate ourselves from the calamities that have befallen the Azerbaijani people, and the more we will liberate ourselves from Armenia's occupation. Our centuries-old national and spiritual values will be consolidated and strike even deeper roots and the Azerbaijani people will occupy their rightful place among nations."

Aliyev then kisses a Koran, which he presents to the mosque along with religious books brought from Saudi Arabia. He also asks for the distribution of water from the Kaaba.

Following Aliyev's speech, the representatives of various mosques briefly discuss problems in their regions.

Foreign Minister Points Out Disagreements With CIS

NC2107210094 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1600 GMT 21 Jul 94

[Text] A news conference was held today at the republic's Foreign Ministry on the results of the CIS foreign and defense ministers meeting in Moscow.

[Correspondent Vesila Mahmudova] Republic Foreign Minister Gasan Gasanov stated that a number of important documents on cooperation and collective security among the countries were discussed during the ministers' regular session. The Azerbaijani representatives voiced serious objections on the coordination of foreign trade, military and foreign policy, joint protection of the borders, the creation of CIS border guards, and the institution of joint citizenship as envisaged in the draft plan on CIS integration. He declared that in many fields, our republic will act like an independent state and even if this draft is adopted they will not sign it.

In addition to this, the document on the rights of ethnic minorities and the Armenian proposal on the right of national self-determination were also submitted to the meeting. In the ministers' view, the problems of the ethnic minorities in the CIS countries and the protection of the rights and freedoms of the national groups could only be discussed after the study of these issues by the experts.

Another document dealt with the status of CIS participation in international organizations. Gasan Gasanov noted that the Azerbaijani Government only favors an observer status for the CIS.

The CIS draft convention on human rights that would conform to international law was also touched upon during the ministers' Moscow meeting.

Most of the examined documents, including the four documents on military cooperation, were not approved. In Gasan Gasanov's view, these documents could be signed only if they meet the interests of the independent state of Azerbaijan.

The meeting decided that CIS heads of government should meet in Moscow in September, and the heads of state in October.

Gasanov Receives Visiting French Legislators

NC2107202294 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1600 GMT 21 Jul 94

[Text] According to information obtained from the Foreign Ministry press service, today Gasan Gasanov received Roland Bleu, a member of the Foreign Relations Committee of the French National Assembly, and Didier Lebon, a member of the Disciplinary Commission of the National Assembly.

Mr. Roland Bleu said that the commission he represents is becoming familiar with the conflicts, and the aim behind their visit to the region is to obtain first-hand information on the Abkhazian and Nagorno-Karabakh conflicts and to learn about the process of solving them through diplomatic methods.

In providing comprehensive information on the grave economic and spiritual damage caused to our republic by the Nagorno-Karabakh conflict, Foreign Minister Gasan Gasanov reiterated Azerbaijan's peace-loving position and indicated that great hopes are pinned on French Government's help with the political solution of the conflict within the CSCE framework.

Roland Bleu said that upon return to his country he will deliver an extensive report on this visit at the National Assembly and will also submit his report to the French Government.

The guests will leave for Georgia in the morning. Later, they will also visit Armenia.

The French Ambassador to Azerbaijan Jean Peren was also present at the meeting.

Deputies Collect Signatures To Force Parliament Session

NC2107195394 Baku TURAN in English 1755 GMT 21 Jul 94

[Text] Baku, July 21 (TURAN)—The signature collecting campaign demanding summoning of the session of Azerbaijan's Supreme Soviet once again began.

123 out of 350 deputies signed the appeal addressed to Azerbaijan's Parliament. In accordance with the Constitution, session of the Supreme Soviet can be summoned if one third of the deputies demand that.

The deputies demand that the authorities of the country to give report about political situation inside the country.

The Milli Mejlis was founded on November 26, 1992 as acting body of Supreme Soviet which connected the authorities and the opposition.

On an equal footing, 25 deputies from the so-called the Democratic bloc or the PFA [People's Front of Azerbaijan] and 25 deputies from "communist bloc" or [ex-President] Mutalibov's supporters, entered the Milli Mejlis staff.

When in May 1992 the PFA came to power, the Milli Mejlis took all the functions of the Supreme Soviet on itself, but did not dissolve the Supreme Soviet being afraid of confrontation.

Then after events in May 1992, June 1993 and June 1994 the staff was of the Milli Mejlis was partially changed.

Presently the former Chairman of Supreme Soviet, Yakub Mamedov, and the group of deputies from Supreme Soviet are in Moscow.

Russian Envoy Arrives in Stepanakert To Discuss Peace Plan

LD2107170194 Moscow ITAR-TASS in English 1356 GMT 21 Jul 94

[Report by ITAR-TASS free-lance correspondent Leonid Martirosyan]

[Text] Stepanakert 21 July TASS—Russian President's Envoy, Vladimir Kazimirov, arrived in the capital of Nagorno-Karabakh, Stepanakert, to further discuss with its leadership the Moscow plan on peaceful settlement of the Armenian-Azeri conflict.

A week ago Vladimir Kazimirov visited Stockholm where he met with Jan Eliasson, chairman of the Minsk Group of the Conference for Security and Cooperation in Europe (CSCE) for Karabakh.

The CSCE has no real alternative to the Russian peace plan, the president's envoy told ITAR-TASS in an interview.

This plan envisages a complete ceasefire, and then a withdrawal of Armenian troops from the Azeri territories.

However, Baku insists on a ceasefire and a withdrawal of Armenian forces simultaneously.

A fragile truce is being maintained in Nagorno-Karabakh for over two months.

Russia Seeks To Restore Air Defense System

NC2107210494 Baku TURAN in English 1750 GMT 21 Jul 94

[Text] Baku, 21 Jul (TURAN)—Russia's military forces intend to restore anti-aircraft defence system in Transcaucasia, TURAN was told by the informed sources of Russia's Defence Ministry.

After withdrawal of Russia's air defense divisions from the republics of Transcaucasia in 1992-1993 the opportunity of operative finding out the air targets sharply reduced, that is why Russia conducts negotiations with Transcaucasian republics on the restoration of anti-aircraft defence system in the region.

During the USSR, a separate 19-Army of Air Defence, including missile, aviation and radio-technical units, was located in Transcaucasia. The most part of the technics and armaments were located in Azerbaijan.

Ministry Reports Revenue Figures for First 6 Months

NC2107211294 Baku TURAN in English 1750 GMT 21 Jul 94

[Text] Baku, 21 Jul (TURAN) Chief Budget Department of Finance Ministry notes that during first six months of 1994 the revenue increased the scheduled level by 0.5 billion manats. "Revenue was increased due to overfulfilling the plan of currency's receipts to the budget. The receipt of currency to the budget within first six months was scheduled 8.5 billion manats, but 15.6 billion manats were received and 6.6 billion manats of that amount were spent to cover the expenditures, TURAN was told by Mazakhir Agazade, head of the Department.

He noted also that revenue of first six months of 1994 totalled 63.7 billion manats and expenditures totalled 81.7 billion manats. The scheduled revenue was 63.2 billion manats and scheduled expenditures were 92.8 billion manats. Budget's deficit totalled 18 billion manats.

Georgia

Withdrawal Schedule From Kodor Gorge 'in Danger'

LD2107125994 Moscow INTERFAX in English 1039 GMT 21 Jul 94

[Text] Representatives of Russian peacekeeping forces, as well as of Abkhazian and Georgian defense ministries,

stated during a meeting last Wednesday in the Abkhazian administrative center of Gali that the timetable for the withdrawal of Georgian forces from the Kodor Gorge was in danger of not being fulfilled. The withdrawal was to end by 20 July.

Commander of the peacekeeping force, Vassiliy Yakushev, does not rule out decisive measures against the uncontrolled armed groups as was provided by the cease-fire and disengagement agreement signed in Moscow on 14 May, an INTERFAX correspondent reports from Sukhumi. The Russian general said the groups are likely to disarm.

On Thursday, representatives of the Russian peacekeepers and the Abkhazian and Georgian defense ministries plan to visit the Kodor Gorge to view the situation first hand. The trip is likely to be postponed for safety reasons, because, said a spokesman for the Abkhazian Defense Ministry, numerous uncontrolled groups of local Svans continue operating there.

Abkhazia Withdraws From Refugee Commission Over Kodor Issue

LD2107144094 Moscow Mayak Radio Network in Russian 1400 GMT 21 Jul 94

[Text] The Abkhaz side has been forced to suspend its participation in the quadripartite commission working on the return of refugees to Abkhazia until such time as Georgian armed formations are completely withdrawn from the Kodor Gorge. This was announced in a statement issued by the Abkhaz Government today. The statement stresses that Georgia has not honored the undertakings which it has given.

More on Abkhazia Withdrawal

LD2107194694 Moscow ITAR-TASS in English 1832 GMT 21 Jul 94

[By ITAR-TASS correspondent Irina Shchegoleva]

[Text] Sochi July 21 TASS—The Abkhazian side has been forced to halt its participation in the meetings of the quadrilateral commission for the return of refugees and displaced persons to Abkhazia until Georgia completes a full withdrawal of its troops from the Kodor Gorge. This was announced on Thursday in a statement drawn up by the Abkhazian Government and released by the self-proclaimed republic's Press and Information Ministry.

"The deadline for the withdrawal of Georgian armed formations from the Kodor Gorge, which was set by the CIS peacekeeping mission command and the members of the UN mission, was 20 July," the statement says. "Nevertheless, Georgia broke the obligations which she took upon herself. Such actions are fraught with unpredictable consequences and threaten to destroy the whole peace process, including the beginning of the return of refugees, which is due to start after all the items in the cease-fire agreement signed 14 May in Moscow have been fulfilled," according to the Abkhazian statement.

"The Government of Abkhazia appeals to the leadership of the Russian Federation, to the UN, and to the CSCE to exert pressure on the Georgian side to fulfill the conditions of the Moscow agreement," the statement said.

Thousands of Refugees Rally Near Border

LD2107164594 Tbilisi Radio Tbilisi Network in Georgian 1300 GMT 21 Jul 94

[Text] KONTAKT news agency has received a report from the information center dealing with settling the Abkhazian conflict that about 15,000 refugees staged today a peaceful march toward the Inguri river. This was a continuation of the action initiated by refugees on 12 July demanding to have their return to Gali rayon expedited. Participants in the march carried slogans in Georgian, Russian, and English saying: We want peace; Politicians, hasten the people's return home. After negotiations with the commanders of the peacekeeping forces, local authorities, and representatives of the leadership of the Abkhazian autonomous republic, the participants ended their march.

A rally was held in the area of the Rukhi fortress. The rally was addressed by parliament member Vakhtang Kolbaya, head of the Gali rayon administration; by Colonel Drobin, a representative of the peacekeeping forces; by Colonel Szabo, head of the UN observers in Georgia. The participants in the rally elected a permanent group to hold negotiations with the commanders of the peace-keeping forces and with other officials who have been authorised to expedite the return of refugees to their homes. A large group participating in the rally started a sit-in.

The march and the rally were held in full compliance with the law. No incidents occurred.

Shevardnadze Seeks Political, Economic Investment

LD2107165994 Tbilisi Radio Tbilisi Network in Georgian 1300 GMT 21 Jul 94

[Remarks by Head of State Eduard Shevardnadze at a conference on Russian-Georgian economic cooperation in Tbilisi on 21 Jul—announcer read]

[Text] The move by industrialists from our countries toward favorable relations is based not only on good traditions of partnership, but also on the objective necessity to seek ways for a settlement of the acute problems encountered during implementation of comprehensive economic reforms. The difficulties, which naturally arose during a fundamental economic restructuring, have been exacerbated by painful processes following the disintegration of the Soviet Union and have caused interstate disagreements on political issues as well as the

fast breaking of economic links. Economic estrangement has proved to be rather perceptible for Georgia, given that two-thirds of our export and import trade was with Russia.

Today, conditions to help reestablish economic links are being prepared on the basis of the comprehensive Russo-Georgian treaty on cooperation which was signed during Russian President Yeltsin's visit to Tbilisi and which follows a two-year search for an acceptable approach to interstate political problems.

Following the commencement of Russian peacekeeping operations in Abkhazia, in conjunction with the UN, signs of a peaceful settlement of the so-called Ossetian problem have appeared. Moreover, there are indications of improvements in the political stabilization and process and in the crime situation.

Ajarian Leader Seeking 'Preventive' Care Abroad

LD2007191194 Tbilisi First Program Television Network in Georgian 1600 GMT 20 Jul 94

[Text] The news service of the Ajara Supreme Council reports that rumors have circulated lately regarding the health of Aslan Abashidze, chairman of the Ajara Autonomous Republic. Abashidze is involved in energetic state, political, and social activities. His present state of health is satisfactory. In addition, we can inform those viewers interested in the issue that he has left for a foreign country to take a short preventive medical course and will be back at work in a few days.

Estonia

Laar 'Optimistic' for Withdrawal, Notes Paldiski 'Threat'

WS2207065494 Tallinn BNS in English 1403 GMT 21 Jul 94

[Text] Tallinn, 21 Jul, BNS—Estonian Prime Minister Mart Laar continues to be optimistic about the prospect that Russia would withdraw its troops from the country by 31 August.

"Actually, the Russian troops keep on leaving and at present only the basis document is lacking that would confirm the troop pullout. Technically, everything is ready for the pullout of the troops that are left in Estonia; only the 'yes' from Moscow lacks," Laar said in a brief interview with BNS. The Estonian premier said it was also Russia herself who was interested in getting its troops out from the Baltics, as "this concerns Russia's own strive to be a normal partner to the world and to Europe." "As long as the troops haven't been pulled out from Estonia, there will be no path for Russia into the Council of Europe," Laar said.

Both Russian President Boris Yeltsin and Defense Minister Pavel Grachev in latest remarks have said Moscow won't withdraw its troops from Estonia by 31 August, citing alleged violations against the rights of Russian-speakers as the reason for keeping troops in that country.

Deputy foreign minister-level talks between Russia and Estonia ended in Finland Wednesday without any substantial progress on the issue. The meeting, this time sponsored by Finland, was already fifth in a row between Russian Deputy Foreign Minister Vitaliy Churkin and Estonian Foreign Ministry's Deputy Chancellor Raul Malk.

Laar in today's comments said lack of success in the talks had been due to Russia's unwillingness to take a constructive approach to the issue, as well as to Estonia's refusal to bend to Russia's demands.

"Already before the start of the talks it could be feared that they (the talks) would fail. In view of the statement made by the Russian defense minister still before talks, on that they (the talks) will proceed inconclusively, it was clear that Russia wanted to fail the negotiations. I would like to hope that the positions of the Russian side will become more constructive and that we would be able to resolve the troop withdrawal issue by 31 August," Laar said. He also expressed the hope that Russia's "Soviet-era spirit of foreign policy would be replaced by constructive cooperation and that common sense would prevail."

Russian Deputy Defense Minister Valeriy Mironov at the meeting in Helsinki Wednesday said that Russia would take back the equipment brought to Estonia for dismantling of the two nuclear reactors at Paldiski if the countries fail to sign an agreement on the dismantling in the near future.

Laar in his comments characterized the remarks as an usual kind of threat from Russia, in which case it couldn't be ruled out that the threat might be carried out. "Everything is ready from our side for the dismantling of the reactors and there exist no technical problems. The Estonian side is fully prepared to take over the territory of the reactor facility at Paldiski by 31 August," he added.

Estonia seeks to introduce its control of the territory surrounding the reactor facility and says the 15-month term suggested by Russia for the full dismantling is too long. Russia, however, has said it won't back down on the 15 months' term, which includes three for pulling out the reactor rods plus 12 months for pulling down the reactor bodies and eliminating radioactive pollution. Moscow also has rejected demands that Estonia would take over control of a 5-hectare security zone around the facility.

Says Russian Troop Pullout Going Ahead

LD2107211694 Moscow ITAR-TASS in English 2040 GMT 21 Jul 94

[Report by ITAR-TASS correspondent Albert Maloveryan]

[Text] Tallinn 21 July TASS—Estonian Prime Minister Mart Laar denied mass media reports alleging the suspension of the Russian troop withdrawal from Estonia and their return to their previous deployment sites.

At a press conference in Tallinn, the premier stated: "In reality, the troop withdrawal is going ahead regularly, only there is no document confirming that all the troops will be withdrawn."

The Estonian premier thinks that Russia herself is interested in the troop withdrawal, since she wants to become "a real partner for Europe and the whole world" and to be accepted by the Council of Europe.

According to a report today by the Estonian news agency, the Russian naval base in Tallinn will be abolished on 28 July. The Liquidation Committee is headed by Admiral Yegorov. He will arrive in the Republic on the eve of the base's closure. Russian transport vessels and trawlers will be the last to leave Tallinn harbour, the agency said.

Pullout Continuing

WS2207100694 Tallinn BNS in English 0857 GMT 22 Jul 94

[Excerpt] Tallinn, 22 Jul, BNS—The withdrawal of Russian troops from Estonia continues despite announcement by an Army press office Thursday [21 July] on

stopping the pullout completely until the signature of the respective interstate agreements.

The press office for Russia's Northwestern group of armed forces, which includes the remaining troops in Estonia and Latvia, declared that the armed force units, military and other equipment made ready for transportation from Estonia to Russia would be returned from the sites of loading to places where they used to be stationed earlier.

According to information obtained by BNS, a trainload of vehicles and equipment of Russia's 144th infantry division has currently stopped in Tartu, southern Estonia, and expected to continue on its way toward the Russian border. The train, which arrived in Tartu from Tallinn 0610 today, includes 29 open platforms and 18 closed cars. Officials at the railway police in Tartu were unable to say whether or not, and when, the train would continue toward to Russia.

The Estonian commandant at the former Russian base town of Paldiski, Raul Luks, told BNS that Boris Borisov, the deputy head of the Russian base there, had received no orders by today morning to stop turning over to Estonia of the base facilities. "Neither has anyone started to take away from Paldiski the equipment necessary for dismantling of the reactors; the turning over of facilities (to Estonia) continues," Luks said.

Although no formal agreement exists between the two countries on the pullout of troops, Estonia in the past weeks witnessed a speeding up in the process of the withdrawal. Units of the 144th infantry division two weeks ago began loading the vehicles and equipment of the division's tank regiment on railway cars. Also preparing for departure were the division's units at Klooga, a location near Paldiski. There have been plans to turn over to Estonia within the next few days the former Soviet army ammunition depots at Astangu, on the outskirts of Tallinn, already emptied of explosives. The last Russian tanks and naval units remaining in Estonia were expected to leave by the end of this month. [passage omitted]

Troop Withdrawal 'Suspended'

LD2207101594 Moscow ITAR-TASS World Service in Russian 0930 GMT 22 Jul 94

[Report by ITAR-TASS correspondent Vladimir Gondusov]

[Text] Moscow, 22 Jul—The Russian troops' withdrawal from Estonia has been suspended. On 21 July only one of two trains left for Russia. The second train received instructions to return to its station of origin. No movement of personnel or combat equipment is envisaged in the next few days in spite of the previously agreed schedule of withdrawal, the ITAR-TASS correspondent was informed at the press center of the northeastern group of troops deployed in the Baltics. According to this source, there are more than 2,000 servicemen in Estonia at the moment whose task is to load and despatch the military equipment to Russia.

As is known, the decision to suspend the troops withdrawal from Estonia was made by the Russian president in connection with violations of the rights of the Russian population by Tallinn. Today, there are more than 300,000 people living in Estonia who have not been granted its citizenship, and the majority of these are army pensioners and veterans of World War II. They cannot easily change their residence, but the policy of pressure and discrimination employed by the Estonian Government is aimed at making them do so.

Laar: Yeltsin Statement to Troops Reflects 'Cold-War' Era

LD2107154294 Moscow INTERFAX in English 1403 GMT 21 Jul 94

[Text] Estonian Prime Minister Mart Laar believes that President Yeltsin's statements to the effect that Estonian legislation contravenes international law and violates the rights of Russians in Estonia is "a reflection of the cold-war years."

President Yeltsin said on Wednesday [20 July] that Russia would not withdraw its troops from Estonia until that country adjusted its laws in line with international law.

Prime Minister Laar said on Thursday in an interview that unlike Russia, Estonia was a member of the Council of Europe and its laws were recognized by that international organization as being in line with international law. He said that Russia was trying to use such charges to "corner" Estonia and keep it at bay.

Prime Minister Laar accused Russia of the intention to upset bilateral negotiations so as to delay the withdrawal of its troops. Laar believes that it is in Russia's interests to show the world it is prepared to remove its troops by August 31 and thereby prove its commitment to democracy, otherwise it runs the risk of remaining outside the Council of Europe forever, he believes.

Foreign Ministry Urges Early Yeltsin-Meri Meeting

LD2107171094 Moscow INTERFAX in English 1404 GMT 21 JUl 94

[Text] Russian President Boris Yeltsin and the Estonian President Lennart Meri should meet as soon as possible, says the Estonian Foreign Ministry.

"We confirm our readiness and intention to hold the summit," the Estonian Foreign Ministry said in an official statement following the negotiations the Estonian Foreign Ministry's Vice Chancellor Raul Malk had with the Russian Deputy Foreign Minister Vitaliy Churkin in Helsinki on 19 and 20 July.

At the same time the Estonian Foreign Ministry said it was surprised by the position of the Russian side at the Helsinki talks, which Churkin described as fruitless. The Estonian Foreign Ministry says Russia's mode of action indicates that as the troop withdrawal deadline draws near, Russia seeks to raise tensions in bilateral relations.

The Estonian Foreign Ministry says that at Russia's request the two days of discussions focused on the Russian submarine crew training center Paldiski, near Tallinn, where there are two nuclear reactors. Russia rejected the idea supported by international experts that the facility be demilitarized and put under Estonia's civil control by 31 August.

At the same time, the Estonian Foreign Ministry says the Russian officials refused to discuss the question of Russian military retirees living in Estonia, something Russia brought to public attention over the past few months.

Earlier reports said that Russia linked the withdrawal of troops remaining in Estonia with the granting of social guarantees to Russian military pensioners.

Foreign Ministry Official on Paldiski Dismantling

LD2207111194 Tallinn Radio Tallinn Network in Estonian 1700 GMT 21 Jul 94

[Excerpts] INTERFAX news agency reported today that according to information available to them, the dismantling of the nuclear reactors at Paldiski Russian naval base near Tallinn will be postponed indefinitely. [passage omitted] Raul Malk, a deputy chancellor at the Estonian Foreign Ministry, told BNS [Baltic News Service] that work could begin without any interstate agreements. According to Malk, an agreement would be required only for the complete dismantling of the reactors and for its handover to Estonia. [passage omitted]

Raul Malk told BNS today that if the INTERFAX news turns out to be true, the Russian side's decision will prove to be an unpleasant surprise to both the Estonian side and the international public at large. Malk also added that this news from INTERFAX does not put responsibility on the Russian side. [sentence as heard]

Latvia

More on Results of Joint Russian Talks in Jurmala

LD2107163694 Riga Radio Riga Network in Latvian 1300 GMT 21 Jul 94

[Excerpts] [Announcer] In the afternoon news we reported that the talks by representatives of Latvia and Russia in Jurmala have ended. What about the results? The head of the Latvian delegation in talks with Russia, Aivars Vovers:

[Begin recording] [Reporter] What are the results of these four days of talks? What are you satisfied with, and what are you not?

[Vovers] The main tasks of the talks have been fulfilled, because work was started by the mixed Latvian-Russian commission. That was one of the main purposes of this meeting. The regulations of this commission have been worked out. We have discussed how to continue this work. We have worked on the relevant documents put forward, so in this respect, one can say that essentially the work has been done. [passage omitted]

[Reporter] Was there also any specific talk of compensation that Russia could give Latvia?

[Vovers] Not taken separately, but anyway this is one of the questions on the agenda of the mixed commission, especially the financial side. There is the matter of various debts, and also of ecological issues, and compensation for ecological damage.

[Reporter] What about the withdrawal of Russia troops from Estonia?

[Vovers] Estonia is not satisfied with the results of the talks, but even so, we hope that Russia will continue withdrawing its troops from Estonian territory as well, so that the Baltic countries will be free of these troops, and (?consequently there will be) stability and security all over Europe. [end recording]

[Announcer] That was the leader of the Latvian delegation in talks with Russia, Aivars Vovers. The leader of the Russian delegation, Sergey Zotov, however, sees as the most serious problem the so far unratified package of documents.

[Begin recording] [Zotov, in Russian fading into Latvian translation] I do not want to get involved in your country's politics. We are interested in creating normal interstate relations. Our commission is continuing its work. I am convinced that your president will remain in his post, just like our Boris Yeltsin, regardless of the fact that various parties are hatching intrigues and trying to strain relations. The only problem that upsets me is the package of unratified documents, but that is a task for parliament. Beginning 1 July, customs concessions also took effect, for the import of Latvian goods into Russia. Those huge customs levies will not have to be paid. Politics [word indistinct] to Latvia, only Russia is being seen as a poor relation, if our trade infrastructure, which was created in the time of the former USSR, does not need to be dismantled. [end recording]

Russian Envoy Assured Saeima To Ratify Agreement

LD2107191894 Riga Radio Riga Network in Latvian 1800 GMT 21 Jul 94

[Text] Although the present government has resigned, the ratification of the agreement signed in Moscow on 30 April on the withdrawal of the troops will be required in

the Saeima in the near future, Saeima Chairman Anatolijs Gorbunovs announced today in a discussion of the chances of ratifying the agreement with Aleksandr Rannikh, the Russian ambassador to Latvia. During the talks Gorbunovs explained that in the present situation the Latvian Way faction in the Saeima could only support the creation of a government that did not diverge in essentials from the foreign policy course of the previous government. Rannikh said that Russia is juridically prepared to ratify the agreements. The Russian side also disclosed that soon the Russian troops will have completely left Latvia, and on 30 July this year, the ceremonial departure of the last combat unit from Latvia is anticipated. During the talks Rannikh expressed the hope that the ratification by both sides and the withdrawal of the Russian Army from Latvia could become a serious (?basis) for the restoration of interparliamentary relations.

Bank President Refuses Premiership in Proposed Coalition

WS2207083794 Tallinn BNS in English 1615 GMT 21 Jul 94

[Text] Riga, 21 July, BNS—The Bank of Latvia's President Einars Repse refused to become the prime minister of the government formed by the Latvian National Independence Movement (LNNK), because the LNNK will be forced to form a coalition with supporters of the "left" economy.

Repse said he was honoured by the LNNK's proposal, but he supported the radically free market without any compromises. Repse noted that it would be difficult to be in opposition with his like-minded persons from the Latvia's Way (LW). If a coalition of the LNNK and the LW was formed, Repse would agree to be such a coalition's prime minister. Repse said he has not had a contact with the LNNK for a long time and his team is not formed in it, and this is one more reason of his refusal. Repse considers that, though the Latvian currency is stable, it would not be advisable to leave his the Bank of Latvia president's post.

The LW faction's Deputy Head Indulis Berzins said the LW would support Repse's becoming a prime minister. The possible LNNK's coalition with the LW is the LNNK's, not the LW's problem, because both parties' economic programs are similar.

Lithuania

Seimas Adopts Law on Territorial Administrative Units

LD2107132594 Vilnius Radio Vilnius Network in Lithuanian 1200 GMT 21 Jul 94

[Text] The Lithuanian Seimas passed a law on territorial administrative units and their borders in Lithuania. According to this law, there will be 10 districts in Lithuania: Alytus, Kaunas, Klaipeda, Marijampole, Panevezys, Siauliai, Taurage, Telsiai, Utena, and Vilnius. They will have 56 local governments.

This law did not introduce great changes in the country's territorial division. Only Visaginas, a satellite of the Ignalina nuclear power station, will have the status of town, so it will have a separate government in the Utena District.

The Polish faction in the Seimas has been categorically against the merging of the capital with the Vilnius District. An appeal of the faction to the Lithuanian president and prime minister has been made public. It is noted there that such new formation will change the national composition of the residents. In Vilnius the Lithuanians constitute 51 percent of the population, and only 20 percent in the Vilnius district. The majority of residents are Poles. According to the authors of this document, the merger is aimed against the Poles, as it makes it possible to eliminate their self-government.

European Union Delegation Arrives for Talks

LD2207100294 Vilnius Radio Vilnius in English 2130 GMT 21 Jul 94

[Text] A delegation of the European Union president's office, headed by the German Ambassador to the European Union (Klaus Juergen Sipfen), has arrived in Vilnius.

Members of the delegation met with Lithuania's Foreign Secretary Albinas Januska and Presidential Adviser on Foreign Affairs Justas Paleckis.

Among the issues discussed was the organization of the Baltic region's roundtable talks aimed at strengthening cooperation and developing good neighborly relations in the Baltic area. Invitations to participate at the roundtable meeting will be extended to the Nordic states, Russia, the United States, and Canada. The first talks on cooperation in the Baltic region are scheduled for September with Lithuania, Latvia, and Estonia and Poland taking part as full roundtable members.

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